A U.S. DEPARTMENT OF COMMERCE WEEKLY

International Commerce

June 28, 1965

CHALETS de RECEPTION
MISSIONS ETRANGERES

Surprise visit at Paris air show

Business Bulletins *from around the world*

AFGHANISTAN—International Telecommunications Union to provide $766,000 in technical assistance funds to build telecommunications training center. Afghan contribution is $130,000 in local currency.

BOLIVIA—Government-owned petroleum corporation (Yacimientos Petroliferos Fiscales Bolivianos) announced that production of 282,179 barrels of petroleum in May was highest in any month since 1957. New well in Tartarenda oil fields went into production during the period.

CHILE—$23.6 million investment in four new 20-knot ships by Compania Sudamericana de Vapores (CSAV), will triple company's refrigerated cargo-carrying capacity between Chile and U.S. Atlantic coasts ports, while increasing unrefrigerated capacity by 20%. Delivery of two ships this year, and two more next year will bring its refrigerated capacity to 103,000 cubic feet and its unrefrigerated capacity to 530,000 cubic feet.

INDIA—Press reports supposedly reliable source as stating Government decided to deal with country's critical foreign exchange shortage and balance-of-payments deficit through administrative measures rather than by devaluation of rupee. To be effective, such measures inevitably must include increased import duties, tighter foreign exchange and import licensing restrictions. Observers in India believe this means long-term continuation of last February's regulatory 10% hike in import duties, and bare-minimum import quotas.

IRAN—Industrial Guarantee Fund lowers interest rate on loans from 10 to 8%. IGF is non-profit foundation which provides loan funds to small and medium industrial enterprises through established private banks. Rates now in line with 8% interest generally charged by Industrial and Mining Development Bank for similar industrial development loans.

ITALY—Two U.S. paper-manufacturing firms reportedly entered Sicilian paper industry. Radio Hill Investment Corp., fully owned by Celanese Corp. of America, purchased 71% of SIACE, paper complex at Fiumefreddo on east coast of Sicily. SIACE, which started production in Sicily in 1964, plans operation of four additional paper plants on the island. Size of Sicilian paper industry may be shown by fact that total production jumped 727% as result of SIACE plant. International Paper Co. reportedly has bought large share in SAVES, firm operating in Cantania in eastern Sicily. SAVES is controlled by SILCA, Milan firm in which International Paper already participates.

International Factors Italia established in Milan in association with International Factors Group. Factoring is service new to Italian economy. Two of members of International Factors Group are First National Bank of Boston and Efibanca, in which several major Italian banks participate.

KENYA—Singer Sewing Machine Co. plans to establish $500,000 plant in Nairobi, for manufacture of sewing machines cases, assembly of machines. Plant scheduled to be in full production by 1966.

PORTUGAL—As of March 24, 1965, Portugal's gold and foreign exchange reserves totaled $927 million, representing increase of $87.5 million over total held at same time last year.

SOUTH AFRICA—South African Sugar Assn.'s new sugar terminal at Durban harbor begins operation. The $6 million terminal has capacity of 200,000 tons, automatic machinery capable of leading 500 tons of sugar per hour.

Sales of passenger cars, commercial vehicles rose to 32,428 and 12,482, respectively, during first quarter 1965, representing increase over same three-month period in 1964, a record year in which 143,000 automobiles, 52,000 commercial trucks were sold.

UNITED KINGDOM—Report issued by National Institute of Economic and Social Research states that U.K. manufacturers of paper will probably have to invest $420 million over next 10 years to provide extra capacity to take care of expected increase in demand from domestic sources of 2.5 million tons. U.K. production of paper in 1964 totaled 4.4 million tons.

Central Electricity Generating Board and British cable manufacturers conduct intensive research in order to reduce cost of placing electric cables underground. It is presently estimated that placing national grid system underground would add approximately 20% to everyone's power bill.

New British company, Computer Resale Brokers, formed to develop both home and foreign markets for used computer systems. Firm's activities to be concerned with purchasing and selling of whole commercial installations as well as peripheral devices. Low cost of used computer installations will enable smaller firms, educational institutions to acquire systems generally beyond their means.

Electrical Remote Control Co., British firm engaged in manufacture of electro-mechanical industrial timing devices, is producing all of its new timing devices according to German metric industrial unit. Company has also undertaken examination of its existing products to see if any changes can be made to satisfy metric requirements. It is felt that the shift to metric standards will open Common Market to company's line of products.

Consortium of British firms, Costain, Ltd., William Press (Overseas), Ltd., and Stewart and Lloyds, Ltd., awarded contract in Syria to construct 400-mile crude oil pipeline linking Karachok oilfield in Northeast Syria with Mediterranean coast. Contract scheduled for completion in 2½ years.

UNITED ARAB REPUBLIC—Phillips Petroleum Co. wins $7 million contract for fertilizers from U.A.R. Misr Foreign Trade Co. Since fertilizer is priority item to U.A.R. economy, necessary hard currency reportedly set aside for purchase.

VENEZUELA—Iron ore production in first quarter 1965 amounted to 4,191,000 metric tons, 34% above production during same period last year. Comparing same periods, exports increased almost 39% to 3,904,000 metric tons.

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the cover

When Vice President Humphrey and Astronauts McDivitt and White (and their wives) made their surprise visit to the Paris Air and Space Salon June 18, the photographer caught them enroute to "Aerospace USA," the Business Information Center operated by the Bureau of International Commerce. Saturday a tragedy occurred in which an Italian plane crashed and burned in the Air Force Command Post where the pictures were being processed. One of the two pictures not destroyed is on the cover.

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Trade outlook promising

U.S. foreign sales this year expected to exceed 1964 alltime record

International Trade Analysis Division, BIC

Spurred by a continued strong foreign demand and by the export promotion activities of U.S. business and Government, U.S. foreign sales in 1965 are expected to exceed the 1964 alltime record. However, the rate of expansion in 1965 probably will not be as great as in 1964.

With domestic economic activity breaking all records, U.S. purchases of foreign merchandise also are expected to continue to expand and exceed the 1964 level.

Industrial commodities rise

Total exports in January-April 1965, seasonally adjusted, excluding military grant-aid, fell by 3% over the comparable period a year ago. This decline reflected the severely restricted flow of exports in January and February 1965 as a result of the disruption in trade caused by the longshoremen's strike on the East and Gulf Coast ports.

Despite this disruption, shipments of industrial products, the category of goods of primary interest to the Bureau of International Commerce (BIC) in its export expansion program, managed to rise by 3%.

The decrease in total U.S. exports during the first four months of 1965 stemmed primarily from the reduction in shipments of agricultural products. Exports of these commodities were 15% less, in part due to the fall off in foreign demand and in part due to the failure to export because of the dock strike.

March exports at peak

Following the reopening of the East and Gulf Coast ports after the termination of the strike, seasonally adjusted March exports, excluding military grant-aid, rose to an alltime high of $2.8 billion, one-third greater than the March 1964 figure. Although April exports fell by 14% from the record March total, shipments in April were about equal to the high level attained last December, the month preceding the dock strike.

As a result of priorities given to the unloading of seaway vessels and a number of other factors related to shipping and trade practices, imports were less disrupted after the strike than exports. Consequently, rising consumer demand in the United States expanded imports in April by 12% above the December pre-strike total and to a rate of only 2% below the March alltime high. For the first four months of 1965, U.S. imports, seasonally adjusted, increased by 9% over the comparable period of 1964.

World trade outlook

Current economic conditions and the outlook for U.S. trade in the majority of countries with which U.S. firms do business are summarized on the following pages.

The reports, written by country desk officers in the Office of International Regional Economics of the Bureau of International Commerce (BIC), are based on up-to-the-minute reports from the many U.S. Foreign Service posts, international economic organizations, and other sources available.

The authors have attempted to characterize the outlook and to indicate the direction in which trade levels are moving, in their articles. The principal reasons and contributing factors to this movement are cited. An assessment, at mid-year of the state of business confidence reported in the area is given, as are trade trends and the U.S. share of the market.

In most cases product categories which appear to offer the best opportunity are given. Pending promotional projects that U.S. firms can use to increase sales are given when appropriate, and the investment climate is discussed briefly in most articles.

As a result of the sharper reduction in exports during the dock strike and the continued high level of imports in March and April, the trade surplus at an annual rate for January-April 1965 declined to $4.3 billion.

Because of the disruption of the dock strike, comparison of the trade for most of the commodities between the current period and that of an earlier period to determine the trend is not too meaningful. Consequently, the following outlook for 1965 exports by principal commodities is somewhat limited because of the distorted data.

Machinery exports to rise

The outlook for U.S. machinery exports in 1965 continues to appear favorable. After reaching a five-month low in February 1965, export orders for machinery picked up considerably in the following two months. Foreign demand is expected to be greatest for technologically advanced products which are either not produced overseas or are available only in limited quantities.

In response to the increasing world market for sophisticated machinery items, U.S. exports of electronic business machines are expected to expand significantly in 1965 and a substantial increase is also foreseen for sales of electronic telecommunications equipment. Despite increasing foreign production, U.S. exports of electric motors and generators are expected to advance somewhat in 1965.

April exports and imports decline

Period	Monthly rate		Annual rate	
	Exports*	Imports	Exports*	Imports
	(Millions of dollars, seasonally adjusted)			
April 1965	2,380	1,835	28,560	22,020
March 1965	2,753	1,869	33,036	22,428
February 1965	1,593	1,601	19,116	19,212
January 1965	1,217	1,206	14,604	14,472
December 1964	2,430	1,642	29,160	19,704
January-April 1965	1,986	1,628	23,832	19,536
January-April 1964	2,056	1,489	24,672	17,868
January-December 1964	2,135	1,557	25,620	18,685

* Excludes military grant-aid.

In the nonelectrical category, exports of agricultural machinery, including tractors, in spite of the dock strike, were about one-tenth larger in January-April 1965 than the like period a year ago. It is expected that this rate of growth will be maintained for the entire year.

Continuing the upward trend of the last several years, shipments of construction machinery should also expand in 1965. Exports of machine tools, however, due to a high domestic demand and increased delivery time for overseas shipments, are likely to drop below the 1964 level.

Exports of planes to advance

Reflecting U.S. superior technology, exports of civilian aircraft in 1965 are expected to expand by 20% or more over 1964. Prospects for a significant increase in sales of jet transports this year appear to be quite good. Manufacturers of small planes also report unusally high foreign demand for their aircraft.

The strong overseas market for new U.S. chemicals for use in further manufacturing should be reflected in an increase of U.S. exports of chemicals in 1965. Largest gains should occur in the exports of industrial chemicals, particularly organic chemicals, and plastics. No significant change is expected in the shipments of drugs and pharmaceuticals.

Foreign sales of iron and steel products, boosted by the steel strike in the United Kingdom, were unusually high in 1964. A fall off in foreign demand, plus increased domestic requirements, in all probability will lower exports substantially in 1965.

Rising world demand

Rising world demand is expected to lead to an expansion in exports of aluminum. Foreign sales of copper, on the other hand, should be slightly lower in 1965 than in 1964, primarily a result of increased domestic requirements for stock-building.

Prospects for the shipments of nonfood consumer goods, which accounted for 7% of total U.S. exports in 1964, appear promising. Increased exports of furniture, glass, housewares, and clothing are expected in 1965.

Agricultural exports are expected to fall below the 1964 level of $6.4 billion. Better grain crops in Western Europe and in the Soviet bloc have reduced the world import demand for these commodities. Indications are that U.S. wheat exports will decline significantly. Cotton and tobacco shipments will also probably fall off mainly because of increased world production.

U.S. SHARE OF IMPORTS INTO SELECTED COUNTRIES

Country	1963 Imports			1964 Imports January through latest month			
	From world (million	From U.S. dollars)	U.S. share %	Latest month	From world (million	From U.S. dollars)	U.S. share %
Ireland	858	51	6.0	Dec.	974	74	7.6
Netherlands Antilles	841	87	10.3	Sept.	583	61	10.5
Portugal	656	58	8.9	Dec.	761	80	10.5
Malawi	426	27	6.4	Sept.	33	(1)	(1)
Rhodesia (Southern)				Dec.	346	23	6.8
Zambia				Dec.	247	13	5.1
Trinidad and Tobago	375	60	15.9	Dec.	423	60	14.1
Kuwait[2]	324	66	20.5	Dec.	328	63	19.3
Iraq	319	33	10.5	June	213	28	12.9
Ceylon	315	12	3.8	Dec.	415	11	2.7
Viet-Nam, Rep.	286	107	37.4	Oct.	239	100	41.9
Saudi Arabia	[3]281	[3]58	[3]20.6	June	[3]320	(1)	(1)
Sudan	280	15	5.3	Oct.	231	15	6.5
South Arabia, Fed. of (Aden)	272	5	1.9	June	146	2	1.6
Libya	239	48	20.0	Dec.	292	68	23.2
Syria	235	16	6.9	Dec.	235	15	6.2
Burma	233	15	6.5	June[4]	105	5	5.0
Jamaica	226	68	30.3	Dec.	282	87	30.9
Tunisia	222	24	11.0	Dec.	264	27	10.1
Uruguay	177	27	15.4	Dec.	198	31	15.4
Ivory Coast	170	8	4.8	Dec.	245	23	9.4
Senegal	156	6	3.6	July	92	5	5.0
Angola	146	15	10.1	Dec.	164	14	8.7
Mozambique	143	9	6.0	Oct.	128	5	3.8
Jordan	142	20	13.7	Dec.	150	31	20.9
Cyprus	135	6	4.2	Dec.	105	6	5.9
Ecuador	129	50	38.7	June	76	34	45.0
Malagasy, Rep.	128	4	3.4	Dec.	136	6	4.5
Ethiopia	111	14	12.4	Dec.	123	(1)	(1)
Iceland	110	13	12.0	Dec.	131	16	11.9
Cameroon[5]	108	5	4.9	Oct.	97	4	4.1
Cambodia	107	12	11.0	Dec.	82	4	4.9
Bolivia	104	50	47.7	June	44	(1)	(1)
Malta	84	1	1.5	Sept.	70	2	2.5
Sierra Leone	84	4	5.2	Sept.	75	4	4.7
Bahamas	79	45	57.4	(1)	(1)	(1)	(1)
Martinique	74	4	5.2	Sept.	56	3	4.5
Reunion	70	(6)	0.6	Sept.	67	(6)	0.5
Guadeloupe	69	4	6.1	Sept.	58	4	6.6
Mauritius	68	2	2.8	Sept.	58	2	3.1
British Guiana	63	(1)	(1)	Aug.	58	13	22.6
Congo, Rep. (Brazzaville)	62	4	6.9	Dec.	65	3	5.1
Surinam	59	20	34.6	June	40	17	42.4
Barbados	58	8	13.2	Dec.	64	10	16.2
Bermuda	55	26	47.0	Dec.	59	27	46.1

Note: To present comparable statistics for all countries, import data have been adjusted from f.o.b. to c.i.f. for the following: Ecuador, Netherlands Antilles, Malawi, Rhodesia (Southern), and Zambia.

[1] Not available. [2] Excludes oil company imports. [3] Fiscal year ending June. [4] Port of Rangoon only. [5] Data refer to East Cameroon only. [6] Less than $500,000.

Sources: Official trade statistics of listed countries.
International Monetary Fund, *International Financial Statistics*.

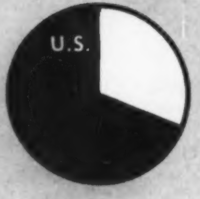
Canada

Investments, income continue advance; U.S. sales top half billion in March

By JOHN D. CRAWFORD
European Division, Canada Section

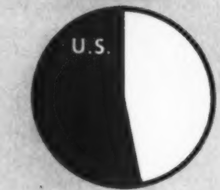
The high tide of U.S. exports to Canada can be expected to continue during the months ahead, probably even above the phenomenal level reached in 1964.

Canadian Government forecasters expect the economy to move ahead by 7% this year in terms of the gross national product (5% in volume), prompted by such stimuli as a 10% reduction in personal income taxes, planned new capital outlays of $11.4 billion, increased world demand for primary metals, and expansion of automotive plant capacity. At C$47 (US$43.6) billion the gross national product outran all predictions in 1964 and the 1965 figure is expected to reach into the 50 billion (Canadian $) range.



Canada's Imports, 1964

Total imports	$6,943 million
From U.S.	$4,787 million
U.S. share	69%



Canada's Exports, 1964

Total exports	$7,504 million
To U.S.	$3,959 million
U.S. share	53%

Principal imports from U.S.:

Machinery, automobile parts, other production components, textiles, raw cotton, fresh fruits, and vegetables.

Principal exports to U.S.:

Newsprint, wood pulp, lumber, nickel and products, crude petroleum.

Record exports continued to act favorably on production in the early months of the year: first quarter Canadian sales to the world increased in value by 4% over first quarter 1964. Unemployment has been reduced in the face of a rapidly growing labor force.

Business confidence seems undaunted by the fact that the present expansive cycle has outlived its predecessors; at a ripe old 55 months, it still appears vigorous. Official estimates of planned capital outlays for 1965 are 14% above the $10 billion spent last year, as compared to increases of 8% and 15% realized in 1963 and 1964 respectively. Automobile sales, always a good indicator of consumer willingness to spend, have continued to rise throughout the spring. Retail sales as a whole have increased 2% over last year; there has been some inventory buildup but businessmen do not appear concerned.

Spring exports set record

After a slump in the first two months of the year, U.S. shipments to Canada picked up a healthy head of steam in March, reaching a new monthly record of $508 million and thus overrunning the first quarter figure of last year by 5%.

Canadian import returns for the first quarter show dollar value up 13 percent from all countries and 13 percent from the United States in the year-to-year comparison with March receipts from the United States 31 percent higher. Making due allowance for the fact that Spring is normally a seasonal high point in trade and the possibility that early year labor troubles in both Canada and the United States somewhat influenced trend, the statistical indications for 1965 are favorable.

The U.S. improved its traditional position as Canada's chief supplier last year; of a total import of $7 billion, Canadians purchased 69% from the United States, as compared with 68% of a $6.3 billion total in 1963. It is likely that the U.S. will hold her position since Canadian demand is expected to continue strong for industrial materials as well as machinery and automotive parts—items in which the U.S. has excelled as an exporter.

The activity of Canadian production augurs well for many raw or semi-fabricated U.S. products needed by Canadian secondary industries. For example, a record 44,912 bales of raw cotton were opened by Canadian textile manufacturers in March. Plastics materials, organic chemicals, and generally unfinished chemicals will find a good market. Iron and steel and iron and steel scrap are in demand. Glass and glass products have shown notable strength so far this year.

Machinery and automotive parts, the champion performers in U.S. exports to Canada, continue to roll up new records. Farm machinery has shown exceptional strength; wheel tractors sold 50% higher in the first quarter this year compared to last. The outlook for mining, metal-working, earthmoving, and for most industrial machinery is very good. Office machinery and computers are selling well.

Industrial components

Industrial components other than automobile parts are important in U.S. exports to Canada. The latest data show Canadian industries increasing purchases of parts for construction and office machinery, computers and electrical appliances, as well as finished technical apparatus, scientific instruments, printing presses, valves, lathes, telecommunications equipment, and many other advanced products.

An outstanding reason for the very large percentage increase expected in total investment in 1965 is the decrease in unused plant capacity as the Canadian economy continues to expand.

Some important planned outlays by industry include: metal mining, $252 million; primary metals manufacturing, $451 million; electric power, $900 million; railway transport, $608 million; telecommunications, $539 million; paper and allied industries, $542 million; finance, $426 million; mineral fuels, $331 million; trade, $439 million; transportation equipment, $242 million; chemical and chemical products, $355 million; food and beverages, $241 million; non-metallic mineral products, $136 million; urban transit systems, $177 million; motor transport utilities, $107 million; water transport and services, $104 million; water systems, $129 million; textiles, $100 million; and wood manufactures, $100 million.

In 1964 the U.S. bought $4.2 billion worth of Canadian goods and sold $4.9 billion in merchandise north of the border, a total trade worth over $9 billion. This unequalled trade reflects the two countries' proximity and productivity. The mammoth United States market is a natural recipient of Canadian raw materials and raw-materials-based goods. It is equally natural for the smaller Canadian market (with less variety in manufacturing facilities) to rely on the United States to supply tools, machinery, and production components for the relatively capital-intensive Canadian industries.

Latin America

After 1964 spurt in U.S. trade with area, modest increase is expected in 1965

By BERNARD J. CAHILL
American Republics Division, BIC

A modest increase in U.S. exports to the Latin American area is expected during the balance of 1965.

In 1964, U.S. exports to the 19 republics rose by a substantial 16% as compared with 1963, to $3,815 million. Exports to Latin America accounted for about 15% of total U.S. exports in 1964.

Along with the greater dollar volume of U.S. shipments to the Latin American region, the U.S. share of the market recovered to an encouraging extent in 1964, reversing the downward trend registered in the previous few years. The over-all U.S. share stood at 44.7% in 1964, while in 1963 U.S. participation in the market was slightly under 43%.

Best customer

Mexico continues to be the United States' best customer in the region. Exports to Mexico totalled $1,076 million last year, a marked increase from the $858 million of a year earlier. Other principal markets for U.S. products in Latin America—Venezuela, Brazil, Argentina, Colombia, Peru and Chile—all imported more goods from the United States in 1964. A greater volume of U.S. goods was also shipped to the smaller Latin American republics, to Jamaica, Trinidad and Tobago, and to the dependent territories in the Western Hemisphere.

Although some further rise in U.S. trade with Latin America is being recorded in 1965, the sharp increase of 1964 is not being repeated.

In two of the seven large markets of the area noted above—Argentina and Colombia—basic economic problems point to a decreased demand for U.S. products.

In Mexico, generally stable political and financial conditions are continuing, but there is a leveling off in the business upsurge of last year that accounted for the 20% rise in import trade.

Some expansion in Brazil's imports is looked for this year as the initial depressing effects of the Government's recent stabilization program are overcome.

Chile's import and exchange control regulations are continuing to restrict imports, but U.S. assistance to Chile and the demands of the country's developmental effort are expected to stimulate a slightly increased market for U.S. goods.

Business activity in Peru has expanded in 1965 and the outlook here is for some further improvement in the U.S. export position in this market.

Venezuela's prospects for 1965 are bright. Further economic growth and an expanding import market are anticipated.

Exports to CACM

U.S. exports to the countries of the Central American Common Market and to Panama rose by about 14% in 1964 to $426 million. In 1965 a more modest but nonetheless important trade increase is expected for this group of countries.

Further comment on the outlook in the principal markets in Latin America appears in the country summaries below.

The trade outlook in the smaller countries of the region is varied. Jamaica, Trinidad and Tobago, Paraguay and Bolivia offer prospects for moderate increases in exports from the United States. On the other hand, the business outlook in Uruguay, the Dominican Republic, Ecuador and Haiti is not encouraging.

Jamaica's economic stability, increasing export earnings, and expanded government public works projects under the Five-Year Social and Economic Development Plan, together with various private sector projects, point to an expanding import market. However, Jamaica is imposing greater restrictions on imports for balance-of-payments reasons. These controls are aimed at reducing luxury imports.

U.S. exports to Trinidad and Tobago should increase moderately. Although over-all business conditions remain somewhat sluggish, there has been a recent higher-than-average seasonal upswing in business activity. As a result of Trinidad's liberalization of former exchange controls, sizable new U.S. investment and geographical proximity of the United States and influence on tastes, the U.S. share of this $203 million market has been rising in recent years, reaching 25% in 1964.

For a small market (U.S. exports of $15 million in 1964), Paraguay has a good business climate and offers some opportunities for greater trade. Favorable prices and good markets for the country's export products are expected to continue.

Bolivia's efforts to bring order to its economy and continued U.S. assistance may well have a favorable effect on the business community there. U.S. exports to Bolivia totalled $45 million in 1964.

In late 1964, the weakening of Ecuador's export market for bananas, the country's leading export product, became a serious concern in that country. During the early months of 1965, banana exports dropped about 30%. The resulting trade imbalance has since brought about government measures to curb imports. In the months ahead, U.S. exports to Ecuador are expected to decrease from the 1964 level of $83 million.

There is no early prospect for improvement in the import capabilities of Uruguay and Haiti.

The United States exported about $114 million in goods to the Dominican Republic in 1964. Troubled conditions in that country cloud the trade outlook. Thus far in 1965 imports have dropped.

Trend to controls

There is a general trend in the region toward more stringent import controls to preserve balance-of-payments positions, protect existing local industry and foster the development of new industries.

Liberal payment terms, favorable prices and aggressive selling efforts by other industrial countries add to the considerations to be taken into account by U.S. exporters in selling in the Latin American market.

On the more favorable side, growing developmental needs, long-standing trade relations with the United States and wide acceptance of U.S. products in most countries of the area enhance the opportunities for U.S. suppliers to expand further their markets in Latin America.

Increasing emphasis on industrial development is apparent in even the smallest countries of Latin America. As manufacturing output expands, the product mix of Latin America's imports is shifting from finished goods to industrial goods and raw materials. This trend has been evident for a number of years and can be expected to gather further momentum.

Among the leading products exported from the United States to Latin America in 1964, machinery—with a value of $1,033 million—was the largest single product category. Motor vehicles and parts valued at $488 million were next in importance followed by chemicals, grains and preparations, metals and manufactures, yarns and textile manufactures, and paper and paper products.

Argentina

Imports increasing as economy continues recovery with basic problems yet unsolved

By JAMES MICHAEL VON STROEBEL

American Republics Division, BIC

Argentina's Imports, 1964

Total imports	$1,077 million
From U.S.	$ 255 million
U.S. share	24%

Argentina's Exports, 1964

Total exports	$1,411 million
To U.S.	$ 90 million
U.S. share	6%

Principal imports from U.S.:
Machinery and transport equipment, chemicals, metal manufactures, synthetic rubber, coal, and scrap iron and steel.

Principal exports to U.S.:
Wool, canned meat, casein, hides and skins, wire rods of iron and steel, and fixed vegetable oils.

Argentine imports have been on the rise and may be expected to continue to increase during 1965. Exports early in the year were down somewhat compared with 1964, but the annual level should remain about the same. As a result, the balance of trade probably will be less favorable to Argentina in 1965.

The strong economic recovery continued into 1965 and has resulted in an expansion in the demand for industrial raw materials and fuels. Unfortunately, the import expansion has not included the machinery category, which is of prime interest to U.S. exporters. The potential demand for machinery was restrained considerably by the stringent financing regulations instituted last November for imported capital goods.

In spite of good grain supplies and a somewhat improved meat supply, agricultural exports in the first quarter were disappointing. Grain exports were only slightly above those of a year ago, and nearly all livestock products were down sharply. It was expected that the devaluation of April would promote exports, especially of products deliberately held back, but the retention on export earnings instituted at the same time may counteract this to some degree.

Recovery continues

During 1964 the gross domestic product (GDP) increased 8.4 percent in real terms over '63, which, admittedly, was a very low base. Although this was a 6.6% increase on a per capita basis, the per capita product level of 1961 has not yet been restored. The rate of economic activity the first three months of '65 generally seems to have been maintained, and the Government has predicted that the GDP will increase by a minimum of 5% over '64.

The surface prosperity of Argentina's commerce and industry contrasts with basic economic problems, as yet unsolved: a huge budget deficit, inflation, a burdensome foreign debt, and a critical foreign exchange situation. Because of these factors, the Argentine business community has taken a cautious attitude and has postponed expansion and new investment decisions. Some segments fear another recession is in the making, but most appear to be waiting to see the outcome of the Government's moves to refinance its external debt and obtain development assistance abroad, as well as to see what new policies the Administration's economic team will institute.

U.S. exports to Argentina during the first quarter of 1965 increased to $57.4 million from $52 million in the same period of 1964, while U.S. imports from Argentina declined from $32.1 million to $26.0 million, according to U.S. statistics. Despite the encouraging trend exhibited in the first quarter, given existing conditions, both regulatory and financial, the level of U.S. exports for 1965 may be expected to be somewhat below that of 1964. Argentine statistics show that imports from the U.S. increased during 1964 to $255.4 million compared with $241.6 million in 1963, but the share of total imports dropped from 24.7 to 23.7%.

Although the trade balance in 1964 was favorable to the U.S. by $164.9 million, compared to $92 million in 1963, it was considerably below the $300 million range of the boom years, 1961-1962. Argentina, however, enjoyed favorable trade balances with the Latin American Free Trade Association, the European Common Market, and the European Free Trade Association, and with almost all countries on an individual basis.

Argentine imports rise

Argentine imports during 1964 increased: very greatly from Brazil, even compared with earlier years; noticeably from France and the Netherlands, although not back to the level of previous years; and slightly from the U.S. Increased imports from Venezuela and the Netherlands Antilles reflected rising needs for oil imports.

The commodity pattern of '64 trade showed that imports increased in food products, textiles and manufactures, lumber, and to an all-time high in chemicals and nonferrous metals. Imports of iron and steel increased but did not reach the level of earlier years. Machinery and vehicle imports continued their downward trend of the past few years. Exports of cereals, at a long-term high, increased sufficiently to provide an increase in total exports in spite of decreased exports in all other major categories, including meat, livestock, livestock by-products, hides, other arable farm products, and wool.

The best sales opportunities for U.S. exporters will be in such lines as industrial raw and semiprocessed materials, including chemicals, nonferrous metals, and iron and steel. The outlook for sales of machinery is discouraged by the stringent regulations instituted last November. Increased activity in oil well drilling, however, may generate a demand for imports of oil field equipment. Recent Export-Import Bank loans of about $20 million for steel industry expansion also should create some opportunities.

Investment climate clouded

Success of the Economic Development Plan will depend in a large degree upon the ability of Argentina not only to obtain foreign public financial assistance, but also upon its ability to attract large foreign private investment. The economic recession and the political instability of 1962-1963 depressed the investment climate considerably, and the continuing inflation has undermined confidence.

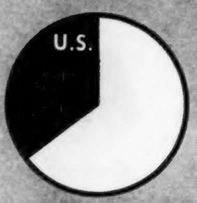
Brazil

Stabilization program causes dislocations but trade increase is foreseen for 1965

By GERTRUDE HEARE

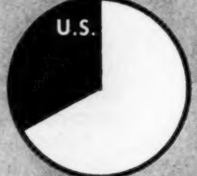
American Republics Division, BIC

Brazil's Imports, 1964



Total imports	$1,263 million
From U.S.	$ 436 million
U.S. share	35%

Brazil's Exports, 1964



Total exports	$1,430 million
To U.S.	$ 474 million
U.S. share	33%

Principal imports from U.S.:
Wheat, machinery, aircraft and parts, chemicals, petroleum products, coal, printed matter, vegetable oils.

Principal exports to U.S.:
Coffee, sugar, cocoa, manganese, iron ore, castor oil, sisal, Brazil nuts, carnauba wax.

Total U.S. exports to Brazil are expected to increase slightly in 1965 despite a substantial drop in the value of wheat shipments. Once the depressive effect of the initiation of the Government's stabilization program is overcome, the growth in economic activity is expected to provide a constantly expanding market.

Financing by the Agency for International Development (AID) of imports into Brazil from the United States and project loans to Brazil by U.S. or international agencies are expected to afford increased opportunities to U.S. exporters in 1965. Brazil's improved foreign-exchange position is encouraging to U.S. suppliers, and a rise in shipments of machinery and equipment representing U.S. private direct investments also is anticipated.

With the nation going through the initial stages of the stabilization program, production and import demand by industry are down at present. Further, the important share of U.S. exports to Brazil represented by wheat and flour ($117 million in 1964) is expected to show a marked decline.

Growth lag in 1964

The improvement in the politico-economic climate following the installation of the Castello Branco administration in April 1964 was not sufficient to offset the economic stagnation of the early months of the year, and economic activity was estimated by the Getulio Vargas Foundation to have dropped by 3% in 1964.

Adverse weather conditions brought about power rationing through May 1964 and probably the worst agricultural year since World War II. Agricultural output declined 4.5% from 1963, which also had been affected by unfavorable weather. Industrial production is estimated to have been reduced by 6% in the first half of 1964 and by .4% for the year as a whole.

Anti-inflationary measures taken by the Government include establishing a new schedule of minimum wage rates at a level which does not fully reflect the increase in the cost of living since the previous wage adjustment and instituting measures to encourage price control by the industrial sector.

Business slump

The Brazilian economy has not yet fully adapted itself to the Government's efforts to control inflation, and producers and traders are going through a recessionary phase. Sales and industrial activity have been well below normal thus far in 1965 and unemployment has shown an increasing trend. Consumer and industrial buying as a hedge against inflation is coming to a halt and price-cutting is common. Despite the recession, there is a fairly widespread feeling in business circles that this difficult but probably necessary period of adjustment is temporary and that a good foundation is being laid for more rational economic development in the near future.

U.S. exports

U.S. exports to Brazil, aside from wheat and coal, consist principally of industrial raw materials, capital equipment and highly specialized commodities.

Shipments to Brazil in the first quarter of 1965—far below normal because of the effects of the shipping strike—totaled only $50.5 million compared with $82.6 million in Jan.-March 1964, the low point of that year. Exports of wheat and flour, including shipments of surplus commodities under U.S. Public Law 480, were reduced to $967,000 from $13.9 million in first-quarter 1964 and exports of machinery and transportation equipment dropped to $19.5 million from $35.1 million in the 1964 period.

Imports into Brazil from all sources in 1964 totaled $1,264 million, compared with $1,487 million in 1963. The United States supplied 30.7% of the total value of Brazil's imports in 1963 and 34.5% in 1964.

Measures taken by the Brazilian Government to encourage exports by providing incentives, reducing procedural requirements, and initiating an export promotion campaign began to bear fruit by the end of 1964, and exports rose to $1,430 million, from $1,407 million in 1963, despite the lag in coffee shipments.

Efforts by the Government to increase productive foreign investment have continued. An investment guaranty agreement with the United States was signed in February 1965 and now is before the Brazilian Congress for approval.

Regulations to implement the foreign investment law (modified in September 1964) were issued in February 1965, and remittances of profits and dividends now may be made under bond, pending the completion of the procedure for the required registration of the foreign capital base. A number of foreign investment projects involving expenditures primarily of reinvested profits have been announced and others involving both new and reinvestment funds are under consideration.

Financial assistance

On the basis of the policies and actions taken by the Government to improve the internal financial situation and the balance-of-payments position of the country, the International Monetary Fund in January 1965 approved a stand-by arrangement, authorizing drawings up to the equivalent of $125 million in 1965. The United States and the other OECD countries, the international agencies, and private medium-term suppliers cooperated in re-scheduling a portion of Brazil's international debt due in 1964 and 1965 and in granting new credits. The commercial arrears problem, which had been chronic since July 1962, was settled by negotiation of loan agreements with U.S. and European banks, and all arrears now have been cleared up.

Central America

Need seen for shift by U.S. exporters from traditional items to machinery, equipment and raw materials which assume increasing importance in economy

By THOMAS K. BREWER and
BRUCE B. SEVER
American Republics Division, BIC

U.S. exports to the Central American Common Market (CACM) and Panama increased 13.6% to $426 million in 1964, and during the first quarter of 1965, as compared with the same period of 1964, a decrease of 10.8% to $87.6 million was noted. However, the decrease may be in part attributed to the U.S. dock strike in January 1965, and the outlook for the remainder of 1965 is for a modest increase in U.S. exports to five of the six countries.

Together, the five CACM countries and Panama imported $896 million in 1964, up 10.6% over 1963, and the 1964 U.S. share of the market should be at about the 1963 level of 44.9% of the total.

The entire area experienced varying degrees of trade deficits and in some instances small losses in net international reserves. There was considerable concern expressed over the balance-of-payments problem, but monetary authorities throughout the area assured the private sector that there would be no precipitous action.

The 1964 loss of 3.6% of the U.S. share of the market in Guatemala probably most strikingly illustrates the problem facing U.S. exporters to the region. Many sources believe that exporters are not shifting from traditional exports to machinery, equipment and raw materials now needed in the CACM.

The U.S. Commercial Exhibit at the El Salvador International Fair, Nov. 4-Dec. 5, 1965, will afford an excellent opportunity for U.S. exporters to display their products and to learn at first hand the changing CACM requirements. Industrialists, importers and dealers from throughout the area are expected to attend.

El Salvador

Total imports into El Salvador in 1964 were up 26% to $191.1 million, and imports from the United States accounted for $66.6 million or 35%, the same share of the market as in 1963.

The level of trade should continue to rise in 1965, although at a slower rate, due to central banking credit restrictions imposed to reduce the $13 million trade deficit which occured in 1964. High demand for capital goods, industrial raw materials and fertilizers is expected.

Industrial growth and political stability are the major factors pacing the country's economic growth and general prosperity.

Guatemala

Imports into Guatemala in 1964 rose 21.9% to $202.2 million, and imports from the United States rose 12.8% to $89.8 million. However, the relative U.S. share of total imports dropped from 48.1 to 44.5%.

The level of trade is expected to rise during the next six months, but not at the same rate as in 1964. Voluntary restrictions on so-called luxury consumer goods were emphasized as a result of the 1964 mercantile trade deficit and a loss in net international reserves.

Gross national product rose 7% in 1964 to $1,207.1 million, and is expected to rise an additional 4.4% in 1965. Thus, 1965 economic growth is not expected to reach the record rate experienced in 1964.

Honduras

Imports into Honduras increased at a rate of 6.9% to $101.7 million in 1964. The U.S. market share rose during the first 9 months from 47.5 to 49.1%—the first percentage increase in several years.

U.S. exports will continue to rise in 1965, both in terms of value and percentage, if adjustments are made for the equipment and raw-material needs of the expanding Honduran economy. Planned capital-equipment imports, new public investment, private and cooperative housing starts, and operations of the private development bank all indicate increased opportunities.

The 6.5% increase in gross national product to $468 million forecasts a continued improvement in the country's economy.

Nicaragua

Expenditures on imports into Nicaragua in 1965 may be up a dramatic 10-15% over 1964. Latest figures show total imports were $110.8 million in 1963, of which the United States had a share of 48.5% or $53.7 million. The United States is likely to increase its exports again in 1965 but the U.S. share is expected to drop.

The Nicaraguan economy appears on its way to maintaining in 1965 the economic growth of the last four years, which has averaged 8%.

According to first-quarter 1965 foreign exchange expenditures, the leading categories of imports are machinery and transportation equipment, manufactured products, and chemical products.

Costa Rica

1965 imports into Costa Rica are not likely to exceed the record level of 1964 imports—$142.6 million—by more than 5%. The U.S. market share was an estimated 45% or about $64 million of the total—a further decline.

A fast pace in commercial activity was set during first-quarter 1965, partly due to high business confidence engendered by stable prices and the cessation of volcanic ashfall from the Irazu Volcano. On the other hand, slow exports from the 1964-65 coffee crop adversely affected the country's exchange receipts, and this is the off-year of the coffee cycle. Offsetting this was capital inflow primarily in the form of a $5 million loan from the Bank of America and a $5 million International Monetary Fund stand-by arrangement.

Panama

Increased imports into Panama in 1965 appear to be in prospect, and U.S. exporters should maintain their share of this growing market. Preliminary figures put total Panamanian imports in 1964 at $168.1 million, a 3% increase over 1963. The U.S. share of the market was maintained at about 45%.

The cautious outlook for increased imports is in part based upon the 16% increase in export earnings in 1964. Strong opposition defeated proposed import-duty increases aimed at improving the balance-of-trade deficit.

Planning under way in public and private sectors points to a healthier economy in the coming months. New and larger plants are contemplated for producing prepared foods, textiles, and men's garments, building materials, and paper products.

Chile

Further drop in imports foreseen, but U.S. items are likely to stay at current level

By RICHARD KENNEDY

American Republics Division, BIC

Chile's Imports, 1964

Total imports	$609 million
From U.S.	$223 million
U.S. share	37%

Chile's Exports, 1964

Total exports	$626 million
To U.S.	$216 million
U.S. share	35%

Principal imports from U.S.:
Industrial machinery, chemical products, electrical machinery and apparatus, automotive parts and accessories, wheat.

Principal exports to U.S.:
Copper, iron ore, nitrogenous fertilizers, fresh fruit.

The value of Chilean imports is expected to decline in 1965 as it did in 1964. Imports from the United States, however, should continue at about the same absolute level, producing an improvement in the U.S. share of the Chilean market. Suppliers of less essential goods and those for which domestic production or substitutes are available will find it harder to sell in Chile.

The major reason for this expected over-all decline is the unrelieved tightening of Chile's already stringent import and forign-exchange restrictions. The availability of substantial U.S. economic assistance should help buoy up U.S. sales in Chile, and counteract the weakening position of U.S. suppliers in the capital equipment field.

The Government's timetable for social and economic developments was thrown off by reconstruction costs after the recent earthquake, and by a necessary shift from planned projects to emergency requirements. The stimulus to imports from massive projected investments in coppermining will not be felt until 1966, assuming prompt Chilean congressional approval of agreements between the Government and the copper companies. The Chilean gross national product in 1964 is estimated to have risen 4% over 1963.

Import financing

While competitive pricing is important, selling to Chile continues in large part to be a financial matter. This is particularly true in the capital equipment field, where the Government is influencing importers to seek credit terms of more than 5 years —terms for which insurance or guarantees are not routinely available to U.S. suppliers. Suppliers, particularly of less essential products, still face delays in collections beyond the 120-day minimum waiting period. Such delays have been significantly reduced in recent months.

Almost all imports from the United States are now eligible for financing under this year's $80 million Agency for International Development program loan to Chile. The recent rescheduling of a major part of Chile's foreign debt coming due in the next two years has also reduced pressures upon the nation's exchange resources. Nevertheless, tight local credit conditions aimed at conteracting inflation have created problems for importers even when foreign exchange has been available, both for old and new shipments.

Chile in 1964 produced her first trade surplus in recent years ($17 million), as she boosted exports 15.5% over 1963 while inducing a 4.5% drop in imports to $609 million. Imports from the United States dropped $1.4 million to $223 million, although our share of the market rose from 35% in 1963 to 37% in 1964. U.S. figures for the first quarter show exports to Chile running at about the same level ($38.9 million) as for the first quarter of 1963 ($38.3 million). The same quarterly figures for 1964 and 1965 show no divergences in major commodity categories, except for chemicals and related products which registered an $0.8 million decline, and nonelectrical machinery which showed a $2.3 million increase.

Perhaps the most effective addition to Chile's battery of import and exchange restrictions is the Central Bank's authorization to reject whole categories of import-registration applications when total applications of all imports for a particular month exceed the prior 12-month average by more than 5%. Importers may resubmit rejected applications, since the same categories may not necessarily be rejected in the next month.

Several Chilean firms have experienced losses in both production and foreign-exchange earnings because of the unavailability of essential equipment and parts, and this problem will probably intensify. Common replacement parts for some industrial machinery have become so scarce that some firms have had to resort to makeshift production methods.

The Central Bank has attempted to ease this situation by dropping prior-registration requirements for shipments of spare parts up to a c.i.f. value of $500, consigned directly to users. In industries where government officials consider expansion to be relatively less essential (e.g., textiles and cosmetics), some companies are worried that imports of equipment needed to fulfill expansion plans may be delayed or even denied. However, most take the longer view that their problems are temporary, and the natural result of the new administration's efforts to achieve monetary stability.

With consumer goods almost completely cut off by import restrictions, the greatest opportunities are in goods fulfilling Chile's economic expansion objectives, including machinery and equipment for agriculture, forestry, fishing, construction, transportation, metalworking and chemicals.

Other opportunities are in fertilizers, breeding animals, fuel oils and lubricants, non-electrical power machinery, electrical machinery and apparatus, chemical raw materials and pharmaceuticals. Investments planned in mining, petrochemicals, fertilizers, synthetic fibers, special steels and special steel products, forged tools, machine tools, agricultural equipment, beet sugar, cellulose and paper plants, electronic products, automotive production, and canned and preserved foods make for sales of machinery and equipment.

A mobile containerized trade exhibit—featuring air conditioning, refrigeration, and building equipment—is to visit Santiago and Valparaiso in late July or early August. A fine opportunity exists for exhibiting U.S. goods through the Third International Trade Fair of Santiago which runs from October 9-24.

Colombia

Political turbulence, flight of capital evident as administration imposes curbs

By R. F. RODRIGUEZ
American Republics Division, BIC

Colombia's Imports, 1964

Total imports	$586 million
From U.S.	$283 million
U.S. share	48%

Colombia's Exports, 1964

Total exports	$549 million
To U.S.	$280 million
U.S. share	51%

Principal imports from U.S.:
Industrial machinery, automotive vehicles and parts, chemicals and related products.

Principal exports to U.S.:
Coffee, petroleum, bananas, cotton, tobacco, sugar, shrimp, platinum.

Colombia's economic and political situation deteriorated further in the first half of 1965 and prospects are for tight curbs on the importation of goods during the balance of the year.

Capital flight, falling exchange reserves, and an exchange rate which many believe has made the peso overvalued, have forced the Government to rely on import-duty hikes and extremely tight quantitative import restrictions.

Domestically, tight-money policies have made it difficult for firms to finance even the most essential imports. In addition, Colombia's compensation (barter-type) trade agreements and regional (Latin American Free Trade Association) arrangements are diverting trade from traditional sources of supply.

Continued acts of terrorism in the countryside and student demonstrations in various cities forced the Government in May to declare a state of siege. While this condition may tend to increase political uncertainty and reduce confidence, many observers point out that it will also permit quicker implementation of economic stabilization measures such as a 10% income tax surcharge, new stamp taxes, a tax on gambling pools, a tax on appreciation of property values resulting from public works, modification of the tax on ranching and issuance of development bonds.

Free peso rate

There was considerable depreciation of the peso in the free-exchange market during the period with the peso rate reaching a peak of 17.90 pesos to the U.S. dollar on May 5, then hovering at about 16. Movement of the exchange rate has stirred rumors of possible devaluation—emphatically denied officially.

Export earnings which held up well throughout 1964 were down about 10% in the first four months of 1965 ($144.5 million) as compared to the same period of 1964 ($160.4 million). The decline was due entirely to coffee, since the value of minor export registrations actually increased 37%.

The over-all level of Colombian imports increased substantially in 1964, rising to $586.3 million c.i.f., the highest since 1956. This high level of imports, coupled with capital flight, contributed to the deterioration in the balance of payments and the imposition of very tight import restrictions in December 1964. In the first four months of 1965 import registrations stood at $149.1 million as compared to $188 million in the same period of 1963, a drop of 19%.

U.S. slips

For U.S. exporters, the decline in the over-all market is further complicated by the continued slippage over the last 15 years in our relative share of the Colombian market. Our share of the Colombian market has declined as follows: 1959—73.9% of total imports; 1952—67.1%; 1955—62.8%; 1958—59.5%; 1960—57%; 1961—52.6%; 1962—52.5%; 1963—51.9%; 1964—48.3%. Available evidence indicates that the decline in 1964 was not due to increased competition from major industrial nations but to increased imports from compensation countries and LAFTA members. Compensation countries increased their relative share of the Colombian market from 5% in 1963 to 6.9% in 1964, while LAFTA countries increased their share from 3.9% in 1963 to 5.6% in 1964.

New regulations

Introduction of a forward procurement system—under which $10 million of our Agency for International Development assistance to Colombia will be tied to purchase of specified items that have been affected adversely by the compensation agreement—will help offset to some extent the loss in some product lines.

Colombian Resolution No. 7 of May 5, which now subjects all imports from LAFTA to the requirement of a prior license from the Superintendency of Foreign Trade, may help to reduce the competitive advantage that LAFTA imports have enjoyed over imports from other countries. In the first four months of this year, with imports from countries outside of LAFTA subject to hard-to-get import licenses and LAFTA imports free of the license requirement, imports of the latter group soared, totaling $16.7 million or 11% of all imports into Colombia. Imports from LAFTA members for all of 1964 were $26 million.

Needed imports

Opportunities will continue to exist for capital machinery, raw materials and certain essential imports. Gross national product has been expanding at a moderate rate and implementation of development plans will require that the administration channel available exchange reserves to these essential imports: petrochemical apparatus; oil and gas pipes; automotive vehicles, parts and components; many types of chemicals (including fertilizers); aircraft; railroad equipment; oil-drilling equipment; equipment for manufacturing copper wire, wood pulp and newsprint; disinfectants and insecticides; tallow; iron and steel sheets; tinplate; medical and optical equipment, and books.

A seven-man Building and Investment Mission on May 12 began a month's trip through Colombia promoting U.S. private investment through joint ventures and licensing agreements which, in turn, should stimulate greater interest in U.S. machinery and equipment, raw materials and components. The group received a good number of investment proposals from Colombian businessmen and presented proposals from the U.S. business community. A report on the findings of the mission will be published shortly in INTERNATIONAL COMMERCE.

Mexico

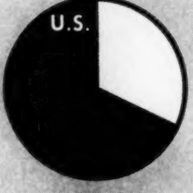
Stable political, financial atmosphere lends hand to optimistic outlook for foreign trade

By KATHERINE E. RICE
American Republics Division, BIC

Mexico's foreign trade should continue at a high level in 1965, buttressed by the record activity of 1964 in most economic sectors. Some decline from the peak reached in 1964, however, is anticipated.

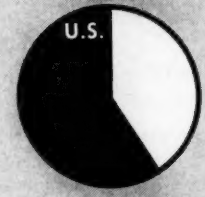
Principal factors contributing to the excellent though somewhat less optimistic trade outlook in 1965 are Mexico's stable political and financial situation, carried over into the new administration, large foreign exchange reserves, and a high level of industrial and agricultural activity.

Furthermore, availability of public and private credits from abroad is adequate, and increased income from tourism in 1965 is promising.



Mexico's Imports, 1964

Total imports	$1,493 million
From U.S.	$1,022 million
U.S. share	68%



Mexico's Exports, 1964

Total exports	$1,032 million
To U.S.	$609 million
U.S. share	59%

Principal imports from U.S.:
Industrial and construction machinery, automotive vehicles and assembly parts, tractors, railway rolling stock.

Principal exports to U.S.:
Sugar, coffee, tomatoes, corn, fruits, sulfur, fluorspar, lead, and zinc.

The sharp trade expansion in 1964 in imports, which rose about 20%, reflected the economic upsurge stimulated by the outgoing administration's attempts to complete projects before leaving office in December, 1964, and by various crash programs in private industry.

Overall prospects for Mexico's 1965 exports are for a modest reduction in earnings. Sales of some products, such as cotton, are lagging behind last year, and lower prices for many agricultural and mineral exports may further cut export earnings. Prospects indicate some levelling off of imports and exports this year.

Mexico's gross national product rose by 10% in 1964. In real terms (1950 prices) GNP amounted to an estimated $7.5 billion ($6.8 billion in 1963). With population at 40.1 million at mid-1964, per capita GNP in that year was about $186, compared with $178 in 1963. The 1965 GNP will probably not reach the extraordinary rate of 1964; but 7%.

Early activity

Almost every sector of the economy was active early in 1965. Recently there was some lag in the public investment sector, to which the private sector in part responded, pending development of the new administration's programs and elucidation of its economic policies. Some of the latter are of concern to both domestic and foreign interests. For example, the abrupt termination of sulfur exports and its direct impact on U.S. potential investors caused quite a stir in many circles.

Price increases in Mexico were up by 4.7% in 1964. Price control is regarded as one of the "thorniest" problems of the new administration.

Where Federal price control is in effect, the Government has effectively kept price rises within limits. However, in other areas where inflationary problems are arising, the State authorities are petitioning for Federal supervision of prices.

Levelling off

Early reports indicate trade in 1965 to be levelling off slightly from the record imports of $1,493 million and exports of $1,032 million of 1964. The U.S. share of the Mexican market in 1964 was 68.5% (68.8% in 1963), with a value of $1,022 million. In 1964, the U.S. purchased 59% of Mexico's total exports, or $609 million worth.

Among categories offering the best export sales opportunities in 1965 are construction machinery, or component parts necessary for manufacture thereof; locomotives, rails and railway equipment (strong Japanese and Canadian competition here); aircraft, large and small, and aircraft parts; and agricultural tractors and equipment.

Similarly, increased demand is expected for chemicals and pharmaceuticals, newsprint, rubber, metalworking equipment, iron and steel scrap, and refined petroleum products.

Demand likely will be less in scientific, technical and medical equipment; building materials; power, communications and electronic equipment, and office machinery.

Here demand is being filled by domestic manufacture, and foreign competition with U.S. products is keen. U.S. suppliers must be alert to changes in Mexico's supply/demand situation if they continue dominant in this rapidly shifting market.

Public and private investment was at a high level in 1964, and accounted for 16.4% of the GNP (14.6% in 1963). Direct foreign investments in 1964 were $150.1 million, up $32.6 million from 1963.

The investment climate continues to be good, despite some indications of a resurgence of the Mexicanization policy.

Essential features of Mexico's economic plans for the next six years include inflation control, peso stability, increased agricultural credit, expanded activities in low-cost housing, export expansion through trade incentives, and tight controls on Government spending.

Peso guarded

Government policy is to guard the hard-won recognition of peso stability and to preserve dollar reserves to give it backing.

Mexico's balance of payments was favorable in 1964 for the third successive year (albeit by only $31.6 million) despite a chronic imbalance in merchandise account. Tourists entering Mexico in 1964 numbered 1,234,000.

Net foreign exchange earnings from tourism and border transactions in 1964 amounted, respectively, to $186.3 and $186.7 million. Net long-term external credits in 1964 were $372 million.

The Bank of Mexico's net gold and foreign exchange reserves at the end of last year were $503.4 million, and while they may have declined some since then due to the unusual seasonal variations, they still continue at a healthy level.

Peru

Strong reserves, economic growth hold promise of rising market for imports

By RICHARD MULLINS

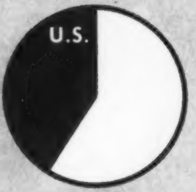
American Republics Division, BIC

Peru's imports during 1965 are expected to grow by 5 to 7%, with U.S. sales to Peru increasing at the same rate.

These anticipated increases are based on growing economic capacity and increased availability of foreign exchange, holdings of which rose to $144 million at the end of 1964 as a result of favorable trade and payments balances. A strong demand for capital goods has been created both by private industry and the Government's development program.

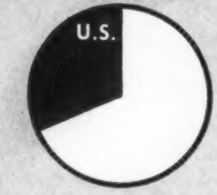
Business activity in first-quarter 1965 expanded considerably with the construction industry the star performer.

First-quarter increased activity was financed to a large extent by an expansion of credit.



Peru's Imports, 1964

Total imports	$580 million
From-U.S.	$237 million
U.S. share	41%



Peru's Exports, 1964

Total exports	$667 million
To U.S.	$207 million
U.S. share	31%

Principal imports from U.S.:

Non-electrical machinery and apparatus, motor vehicles and other transport equipment, chemicals and pharmaceuticals.

Principal exports to U.S.:

Copper, fishmeal, coffee, sugar, lead, zinc, and iron.

The gross national product in 1964 reached $3.1 billion at current prices, up an estimated 5.2% in real terms. This was a faster rate than in the previous two years but below the boom growth of 1960 and 1961. The GNP is expected to increase in 1965 by 5-6%, again well above the rate of population increase in Peru.

Confidence

Business confidence in Peru is at a high level and the country continues to enjoy a relatively high degree of economic and political stability.

The still unsettled International Petroleum Co. dispute appears to have dampened investment interest in the petroleum field. The 11% rate of inflation registered during 1964 and the 7% rate during first-quarter 1965 have caused concern in some quarters.

There has also been concern about rising production costs and wage pressures, but a clear consensus exists in business circles that 1965 will be at least as good as 1964, barring an unexpected reverse in exports. At the end of the first quarter, exports were down 2% compared to a year ago. Projections for the whole year indicate total export trade may decline slightly, to the range of $650-660 million, after a 23% increase in 1964 which carried exports to $667 million. A repeat of the 1964 level of exports is contingent on the maintenance of world prices for Peru's agricultural, fishmeal and mineral exports.

The competitive position of U.S. exports is not expected to be seriously affected during 1965. However, strong competition from other exporting nations, predominantly in the form of more favorable prices and credit arrangements, will continue to exist. American goods command high acceptance in Peru but U.S. exporters must constantly strive to keep prices low and provide favorable credit arrangements where importers' credit standings warrant. The collection picture is currently good.

Peruvian imports in 1964 increased to $580 million while imports from the United States rose to $237 million. As a result, the U.S. share of market rose from 37.3% in 1963 to 40.9% in 1964.

Although all categories of U.S. exports to Peru increased with the exception of machinery and transport equipment and beverages and tobacco, the largest increments were in food, live animals, animal and vegetable fats and oils, and miscellaneous manufactured articles.

A large part of U.S. shipments of food products involved sales under Public Law 480. Sales of construction machinery for use in building roads, houses, and airports were stimulated by international loan programs and the Alliance for Progress during 1964. These programs should provide additional backing for further sales in 1965.

First quarter

Peru's imports for first-quarter 1965 were up 6% compared to the same period in 1964. Despite first-quarter import irregularities due to the U.S. dock strike, most observers believe Peru's imports for the entire year will be at least 5% above those of 1964.

U.S. sales to Peru during the first quarter increased from $51.3 million in 1964 to $54.2 million in 1965, and for the full year are expected to follow first-quarter trends and increase proportionately with the growth of Peru's over-all import market.

Sales to the Peruvian market are practically unencumbered by trade restrictions other than import duties. Only about a dozen items are subject to licensing and there are no quantitative controls and exchange restrictions.

Many consumer goods are subject to high duties, while certain essential foods, machinery and equipment—for use in mining, agriculture and construction, and in plants producing essential goods—are exempted from payment of duties. Some raw materials and semi-processed goods not available in Peru enter duty-free.

Best prospects

In 1964 machinery and equipment, including electric and non-electric machinery, motor vehicles, and transport equipment, comprised 41% of Peru's imports.

The second largest import group comprised foodstuffs and beverages.

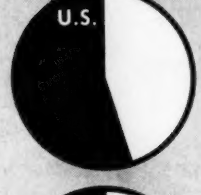
Pharmaceuticals, chemicals, metals and manufactures, specialized paper items, scientific apparatus and medical instruments and equipment, plastic materials, and many other capital and intermediate goods are in strong demand.

As part of an over-all program to assist U.S. exporters selling abroad, the Bureau of International Commerce is sponsoring a July 31-August 28 trade mission to Lima and several other important commercial centers and will present specific business proposals from U.S. businessmen. In addition, the Bureau is planning to participate in the Pacific International Trade Fair at Lima, October 30-November 14. This fair, held biennially, is one of the outstanding commercial exhibitions in Latin America.

Venezuela

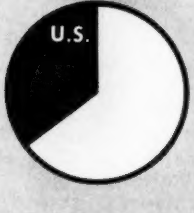
Economic activity at high level; imports expected to expand briskly this year

By GARY ADAMS
American Republics Division, BIC



Venezuela's Imports, Jan.-July, 1964

Total imports	$572 million
From U.S.	$314 million
U.S. share	55%



Venezuela's Exports, Jan.-July, 1964

Total exports	$1,594 million
To U.S.	$ 550 million
U.S. share	35%

Principal imports from U.S.:
Industrial raw materials, industrial machinery, consumer goods, transportation equipment, foodstuffs.

Principal exports to U.S.:
Crude petroleum, refined petroleum products, coffee, cocoa.

Prospects are that 1965 will be another good year for imports into Venezuela. Spurred by a high level of economic activity, total imports increased by an impressive 15% in 1964. With most indicators pointing to another year of rapid economic growth, the brisk expansion of imports is expected to continue in 1965 registering an increase of at least 12%.

The manufacturing sector of the economy which accounts for an increasing share of the nation's imports—especially primary materials and capital goods—is expected to continue expanding at a high rate. This sector grew by 10.7 % in 1964 and the Corporacion Venezolana de Fomento has predicted that it will surpass this rate in 1965, in view of the new investments and plans presently underway. Construction activity was up by about 60% in 1964 and the industry is expected to make heavier purchases of replacement equipment in 1965.

Exports of petroleum, which comprise about 90% of Venezuela's total exports, and iron ore (5%), increased 5.7% by volume in 1964, compared with about 1% in the previous year, but the benefits of this increased export production were offset to some extent by declining world prices.

Venezuela's international reserves of gold and foreign exchange continued to strengthen in early 1965, rising to over $850 million, the highest in Latin America.

A Government program, announced by President Leoni in April 1965, calls for over $500 million in new private and public investment in the petrochemical and metallurgical industries during the next three years. The immensity of this program, alone, will create a large demand for machinery and equipment.

GDP rises

Venezuelan gross domestic product (GDP) reportedly increased 7% in real terms in 1964, the highest rate of increase since 1959. GDP in 1964 was about $9.5 billion at constant 1957 prices. All sectors of the economy showed increases.

Although the level of investment in the economy increased by about 16% in 1964, the expanded production was, generally speaking, based largely on utilization of idle capacity. Prospects for a continued high rate of economic growth are good, but the decline of world prices for the two big earners of foreign exchange, petroleum and iron ore, are a cause of some concern.

In general, a high level of business confidence prevailed. There were, however, misgivings among some sectors of the business community in regard to the Government's proposed legislation requiring that 51% of the capital of insurance companies operating in Venezuela be held by Venezuelans. It was feared that this bill might have a depressive effect on the large inflow of foreign capital into Venezuela. In spite of these reservations, passage is expected shortly.

Trade pattern changes

Venezuela will continue to be an important trading partner for the United States; but the pattern of trade will shift from light consumer goods, generally, toward the supplying of industrial equipment, semi-finished goods, and heavy transport and cargo handling equipment.

U.S. exports to Venezuela amounted to $599.6 million (unrevised figure) in 1964, up 17.8% over 1963.

U.S. exports to Venezuela in the first quarter of 1965 were about 9% below the figures for the same period in 1964. This decline can be attributed to the U.S. dock strike in January and February, and exports to Venezuela are expected to rebound. Imports from the United States comprised 54.9% of total Venezuelan imports during the first six months of 1964, slightly increased over the share supplied in previous years.

Restrictions affect imports

The Government has continued to apply protective import restrictions usually in the form of higher import duties or import license requirements, on certain items, to encourage local production. Products affected recently included various types of cheeses, certain knitted fabrics, certain beans, and dried milk. In December, all but 2 of the 22 items (powdered milk and wheat) which still remained on the list of subsidized imports were removed.

Venezuelan participation in the Latin American Free Trade Association (LAFTA) came up for renewed discussion and consideration during the last six months. Within the Government there appears to be considerable sentiment for joining, but the organized business community expresses serious reservations.

Product categories which appear to offer good opportunities include construction equipment and cargo handling equipment. Importers are optimistic that purchases of construction equipment will increase because of the amount of construction activity underway. The Banco Agricolo y Pecuario (BAP) has established a special line of credit for the use of farmers in purchasing agricultural machinery.

The nation's largest farmer's union has established an agency known as SUCAM to arrange "direct" purchases of equipment using BAP facilities, and has signed over a million dollars' worth of contracts with Oliver International and International Harvester for tractors and equipment. At the same time, talk of establishing equipment assembly operations in Venezuela persists.

Venezuela is a good market for U.S. exports; but the many advantages enjoyed by the U.S. over foreign competitors can be easily dissipated by inattention.

Western Europe

Strong early showing causes forecasters to revise 1965 predictions upwards

By WALTER BUCHDAHL
European Division, BIC

Although Western Europe's growth rate is expected to recede somewhat from the 1964 rate of 5.5% the outlook for substantial increases in U.S. exports to the continent remains favorable. However, the extent of such increases will vary from country to country and may not be as impressive as in 1964.

In Germany, the largest U.S. customer in the area, real GNP is now expected to increase in 1965 by 6.5%, compared to an original estimate of 5%, thus equalling the 1964 growth rate.

In other major Western European trading countries the predicted GNP increases vary from 2½ to 4½%, compared to increases of from 3½ to 6% in 1964. The growth rate estimate for the Common Market countries as a whole, which had originally been 3.5% for 1965 as compared to the actual growth of 5% in 1964 may however be on the low side, since the surprising performance of the German economy may bring the GNP growth rate for the EEC area almost up to that of the previous year.

In the U.K. where only a moderate 2-2½% increase in real GNP had been forecast, it now appears that the 1965 growth rate will be closer to 4½ or even 5%, only slightly below 1964's 5.5% increase.

Foreign trade high

The slight deceleration in the growth of European production will generally not prevent a further increase in total imports. German and Belgium-Luxembourg import gains are again expected to be considerable. In the U.K., on the other hand—the second-largest importer in Western Europe—Government programs to reduce consumer demand and improve the balance-of-payments will probably result in import levels not exceeding those of 1964.

Total exports from Western Europe are expected to increase somewhat more slowly than in 1964, partly due to the import charge affecting the important U.K. market, but also because the expansion of exports to the developing nations is limited by their weak reserve positions. Present estimates predict an export increase of 7%, against 8% in 1964.

Although inflationary pressures are receding in many Western European countries, the general price level still points up. Consumer prices are expected to increase by 3% in the Federal Republic of Germany during the year. It is still uncertain to what extent recently instituted U.K. Government programs will be able to restrain further increases in wages and prices. Consumer prices are expected to be about 5.5% above 1964 levels in the Netherlands, while in France and Italy pressure on prices should ease somewhat due to government-instituted stabilization programs.

Articles on commercial and economic conditions abroad are prepared in the Office of International Regional Economics, Bureau of International Commerce, unless otherwise specified.

Commodity stories generally are prepared by the Business and Defense Services Administration's (BDSA) industry divisions.

Reports are based on dispatches from U.S. Foreign Service posts and on department analysis.

Labor shortages still hamper most European countries except Italy, where unemployment remains over the million mark. The labor squeeze in Germany and the Netherlands is expected to become even more acute.

Increasing prices in many European countries should result in greater competitiveness of U.S. producer and consumer goods, if U.S. price levels hold steady. Continuing economic growth in Western Europe will spur further demand for advanced types of U.S. producers goods. Some European industrialists are enlarging the size of their own operations in order to compete with "giant" U.S. firms, and may therefore purchase advanced technological equipment from the U.S.

Increasing consumer prices in a number of European countries, particularly Germany, as well as growing demand for the most modern types of household equipment, should open the European market to a wider range of U.S. consumer goods.

Finally, continuing labor shortages will make U.S. labor-saving devices, equipment and processes attractive to many European importers.

Another reason to expect a sustained high level of U.S. exports is the impact of the U.S. export promotion program, which has awakened many U.S. firms to the business potential of the European market. An increasing stream of individual businessmen and industry groups, as well as of state-wide trade missions has been going to Western Europe, and their efforts could well result in increased U.S. exports during 1965.

In the first half of 1965 some European governments have taken measures which directly or indirectly will result in a greater flow of imports.

The Federal Republic of Germany has reduced import duties on a number of agricultural products coming from non-EEC countries.

Bars rescinded

Italian credit restrictions introduced in 1964 were largely rescinded, which should boost that country's imports.

Austria has now removed quantitative import restrictions on all except 12 commodities. Finally, the U.K. surcharge on imports was reduced from 15% to 10% in April 1965.

On the negative side, European imports will be affected by increases in the Danish and Swedish turnover taxes and by the British program aimed at restraining consumer demand.

U.S. commodities will face tougher competition from firms within the EEC and EFTA, because the disparity in customs duties applicable to internal regional trade and on imports from countries outside the groupings has again been widened since the beginning of the year.

The Kennedy Round negotiations are expected to come to grips with the problem of agricultural trade later this year. It is hoped that these negotiations will result in continued access for U.S. agricultural products to the area.

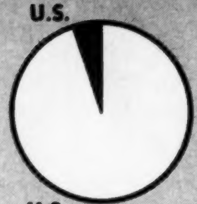
Western Europe's general economic climate, as well as certain actions by some European governments, bodes well for maintaining and even increasing U.S. exports, although agricultural protection and attempts to curb internal domestic demand in some countries may be a somewhat retarding influence.

Austria

Economic growth shows no sign of abating; imports expected to reach new high in '65

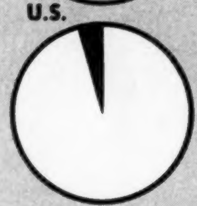
By ELROY B. THIEL

European Division, BIC



Austria's Imports, 1964

Total imports	$1,863 million
From U.S.	$ 96 million
U.S. share	5%



Austria's Exports, 1964

Total exports	$1,446 million
To U.S.	$ 57 million
U.S. share	4%

Principal imports from U.S.:
Industrial and office machinery, grains, cotton, non-ferrous metal ores, chemicals, coal, coke and tobacco.

Principal exports to U.S.:
Machinery, fibers, fabrics, clothing, glassware, toys, sporting goods, bicycles, motorcycles.

The Austrian market continues to offer export opportunities to U.S. businessmen.

The country's economic expansion shows no signs of abating and the volume of imports should reach a new high in 1965.

Disposable incomes of Austrians are increasing and are reflected in a rising standard of living. The demand for luxury, leisure-time and convenience goods is broadening as the consumer considers new ways to enjoy his affluence. To increase its own production and improve productivity, Austria is also importing new and improved machinery and equipment for industry. In both the consumer and producer goods areas U.S. products can be competitive, if the benefits of advanced American technology and designs are featured.

In 1964 Austria's gross national product (GNP) reached $8.5 billion, an increase over 1963 of 10% in current prices. In constant prices the GNP went up 6%, compared with a 5.1% average increase for the years 1950-63, and achieved a level more than double the 1950 GNP. The outlook for 1965 is for a further increase but at a lower growth rate than in 1964. The estimate for 1965 is a GNP of about $9 billion, an increase of 6.6% over 1964 in current prices.

More growth ahead

Business confidence in further economic advances is borne out by indicators for the first months of 1965. Total industrial production in January and February went up 7.5% on the average over the same period last year. Consumer and investment goods production in January went up by 12% over a year earlier; and production of basic materials and mining, by about 3%. Retail sales in January and February were up 3.5% and 1.8% over the same months in 1964.

The volume of imports and exports in the first three months were higher than the record levels of a year ago. Exports increased more than imports. Receipts from tourism in Austria also were up sharply over a year ago. During February tourist receipts were 13% above the figure for February 1964 and the outlook is very favorable for this important industry.

The labor shortage is as acute as it has been for some years. Even though the number of employed has increased, job vacancies in March increased by about a thousand over a year ago and now stands at a total of about 43,100. This condition, and the increasing productivity of Austrian workers, is responsible for continuing upward pressures on wages and prices in Austria.

So far, the country's stabilization measures have succeeded in moderating inflationary pressures. In spite of the stabilization measures, however, the consumer price index stood at 120.6 in March 1965, compared to 117.0 a year earlier (1958=100). Wholesale prices for foodstuffs were 3.7% higher, and for industrial materials about 2% higher, in March than in March 1964.

Private consumption expenditures in 1964 amounted to $5.1 billion, about 6.8% higher than in 1963. Taking price rises into consideration, the increase in consumer spending came to about 5%. Expenditures on food and beverages, home furnishings and household articles showed a 7% rise, and expenditures on clothing went up 4% in 1964.

Imports increasing

Austrian foreign trade volume continued to rise throughout 1964 and early 1965. Austrian imports in 1964 reached $1.86 billion, an increase of about 11% over 1963, while exports in 1964 came to $1.44 billion, an increase of about 9% over 1963. First quarter figures for 1965 indicate that imports were running 9% above the figures for the first quarter 1963, and exports were 12.5% greater than a year earlier.

The U.S. share of the Austrian market in 1964 was 5.2%, compared with 4.7% share in 1963. However, it dropped in January and February to 4.6% and 3.5%, respectively, as against 4.9% and 6.8% in January and February, 1964. In large part, this decline was a result of the shipping strike early this year. The bulk of Austria's imports came from the Federal Republic of Germany, followed by Italy, Switzerland, Great Britain and the United States in that order.

Austrian imports from the United States continued to exceed exports to the United States. Imports from the United States during January and February totaled $12 million; exports during these same months totaled $7.7 million.

Potential is there

Austria's principal imports from the United States are coal, coke, industrial and office machinery, nonferrous metal ores and tobacco. Product categories which appear to offer the best opportunities for future U.S. export sales include pharmaceutical specialties, cosmetics, plastic materials, leather articles, plastic goods, textiles, machine tools, laundry and dry cleaning equipment, toys, sporting goods and construction machinery.

Last year the Government removed quantitative import restrictions on all but 12 commodities. Austria is participating in the Kennedy Round negotiations.

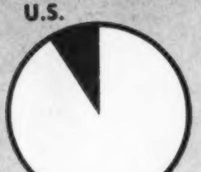
Although disposable incomes are rising and some of the attributes of a mass market—such as supermarkets, chain stores, installment buying—are beginning to appear, Austria's distribution system is still dominated by the small specialty shop and the consumer still exercises conservative buying habits based on familiar brand names and dealers. Nevertheless, a U.S. product can be established if a strong promotional effort is used and the special features of the Austrian market observed.

Belgium

Surging trade levels expected to jump as much as 10% to new records in '65

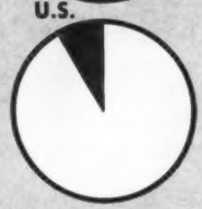
By ROBERT WALKER

European Division, BIC



Belgium-Luxembourg (BLEU) Imports, 1964

Total imports	$5,901 million
From U.S.	$ 523 million
U.S. share	9%



Belgium-Luxembourg (BLEU) Exports, 1964

Total exports	$5,582 million
To U.S.	$ 450 million
U.S. share	8%

Principal imports from U.S.:

Machinery, grains, chemicals and related products, diamonds, automotive vehicles, electrical machinery.

Principal exports to U.S.:

Iron and steel, diamonds, textiles and products, base metals, glass, photographic products, fertilizers.

New records are anticipated for Belgium-Luxembourg (BLEU) foreign trade in 1965. Imports may top the $5.9 billion of 1964 by as much as 10%. Exports are expected to rise more rapidly than imports, continuing the trend of the latter part of 1964.

The business outlook for 1965 is favorable and the gross national product (GNP) is expected to register a healthy increase. Industrial production is holding at about the same high level of a year ago. The labor market, where an acute shortage existed a few months ago, is easing somewhat.

The gross national product for 1964 has been estimated at $15.3 billion, up 5% in real terms from 1963. Projections for 1965 indicate that it will probably top $16 billion, a more modest gain of 3.5-4%.

Wholesale prices have apparently stabilized, but retail prices continue to inch upward, although the rate of increase seems to have slowed. With demand weaker, the rise in prices may be attributed largely to a wage-cost push.

The Government has been very cautious about taking measures to stimulate the economy because of continued, although lessening, upward pressure on prices. The average retail price index for the first quarter of 1965 stood slightly more than 4% above that for the comparable quarter of 1964. Retail prices are expected to rise a further 3.5% in 1965.

Wages to rise

The labor market, although easing somewhat, will still remain tight, with fewer immigrants likely to enter the country. Wages are expected to rise about 8% during 1965, due to triggering of escalator clauses by an anticipated rise in the retail price index, as well as negotiated wage boosts.

BLEU trade for 1964 reached record heights, with imports valued at $5.9 billion, 15.4% above 1963, and exports at $5.6 billion, up 15.3%. For the first 2 months of 1965, imports totaled $926 million, a loss of 4.3% from the comparable months in 1964, whereas exports of $1,022 million were 13.8% above the 1964 period.

Continuing the trend of recent years, the EEC increased its share of trade with BLEU, furnishing 53.4% of total imports against 52.5% in 1963 and absorbing 62.6% of BLEU's exports, compared with 60.8% the previous year. There is some debate as to whether BLEU's trade is too much oriented toward the EEC. Some argue that Belgium would suffer disproportionately from a recession in Europe because of BLEU's heavy reliance on foreign trade and its dependence upon EEC partners for an ever growing portion of that trade.

The United States again ranked fourth both as a supplier and a customer of BLEU, furnishing $522.9 million worth of imports and taking $450 million of exports. Despite the appreciable 10.8% increase in BLEU imports from the United States in 1964, the gain did not match the growth in total imports, and the U.S. share of the BLEU market declined to 8.9% in 1964 from 9.2% in 1963.

Data are available on the commodity pattern of BLEU imports from the United States for the first 11 months of 1964. Most major categories rose over the comparable period in 1963. Among the most striking increases were (percentage increases in parentheses): live animals and animal products, $8.7 (57.6); animal and vegetable fats and oils, $4.7 million (261); textiles, $35.6 million (38); and base metals, $27.6 million (34).

Major declines

The 4 major commodity groups which declined were: mineral products, $39.2 million (6.5); leather and leather products, $4.3 million (7.7); and optical instruments, $14.8 million (26.9).

During the early part of 1965, U.S. trade with BLEU was adversely affected by waterfront strikes in U.S. Gulf and East Coast ports and in Antwerp. Imports from the United States in January and February 1965 totaled only $58 milion, 33.9% below the 1964 period, while BLEU exports to this country amounted to $75.7 million, just 0.26% above the total for the same months last year.

Enabling legislation has been passed by Parliament for importation of natural gas from the Groningen fields in the Netherlands. Plans call for introducing the gas in small quantities next year. The experience and know-how of U.S. manufacturers of natural gas equipment should give them an edge in this important and potentially lucrative market.

Promising items

Other products with promising market potential are: high-quality foods and food specialties (such as canned fruits, vegetables and juices, frozen fruits, juices and soups, sauces, condiments, dressings, and seasonings); housewares; gardening equipment; camping, boating and sports equipment; drapery and upholstery fabrics; teaching and training aids; medical, dental and surgical instruments and equipment; building materials and components; and packaging machinery and materials.

U.S. trade promotion projects in Brussels scheduled for the last half of 1965 include:

- A Hartford (Conn.) Chamber of Commerce flying showcase exhibit tentatively set for September;
- An industry-organized, Government-approved trade mission of the National Association of Small Business Investment Companies to visit in October;
- A Pennsylvania Manufacturers Association airborne exhibit tentatively scheduled for October.

Denmark

Balance-of-payments trouble hurts economy forcing economic activity at high level

By ANN C. HOLMES
European Division, BIC

Denmark's Imports, 1964

Total imports	$2,608 million
From U.S.	$ 227 million
U.S. share	9%

Denmark's Exports, 1964

Total exports	$2,085 million
To U.S.	$ 128 million
U.S. share	6%

Principal imports from U.S.:
Oilseeds and nuts, machinery (non-electric), grain, tobacco, feedstuffs.

Principal exports to U.S.:
Meat and meat products, hides and skins, furniture, machinery (non-electric), animal and vegetable raw materials.

Danish exports are expected to increase moderately above the 1964 level. The import level will depend on the success of the agricultural harvest.

The country is facing continuing balance-of-payments difficulties, a shortage of foreign exchange and rising inflation. The Government has found it necessary to adopt stronger fiscal measures. The object of these measures is to dampen down the general boom by slowing down imports, restraining demand and curbing inflation, but at the same time maintaining economic activity at a high level.

Denmark's gross national product increased during 1964 by 7.3% at fixed (1955) prices ($6.4 billion), contrasting with a 1.2% growth rate registered in 1963 ($5.9 billion). While restrictive monetary and fiscal policies had curtailed growth in 1963, effective measures to curb demand pressures were lacking in 1964. The result was record new investment, excessive consumer demand, and a higher rate of inflation. Prices rose about 5%, a phenomenon reflected in the 12.8% increase in GNP figured at current prices. Prospects for '65 include real growth of about 4%, continued inflation and only a slightly reduced foreign trade deficit.

Denmark's business climate is moderately promising. The industrial boom which prevailed throughout 1964 is expected to continue at a more moderate pace in 1965.

The increased economic growth in 1964 was due in large part to increased domestic investment in building construction, plant modernization in machinery and equipment. Consumer goods demand rose an estimated 6-7% in 1964. Wages and civil servants salaries were adjusted partly because of a cost-of-living adjustment.

Construction frozen

On April 21 this year the Government's Economic Committee froze almost all new public construction until October 15 to slow down public investment and to take the pressure off the building and construction labor force which is in short supply.

Although industrial investment may not increase at quite the 1964 rate and agriculture will be hard put to match the 1964 record, expanding foreign and domestic demand should keep most factors of production fully employed.

Total Danish imports increased sharply in 1964 amounting to $2,608 million. The U.S. share was $227 million or 8.7% compared to 8.8% in 1963. Total Danish exports amounted to $2,085 million. Exports to the U.S. were $128 million or 6.1% compared to 6.3% for 1963. While the U.S. share of the Danish market is barely holding its own, Denmark's growing industrial activity (new factories being built, existing ones modernized and expanded) is creating a constant need for raw materials, semi-manufactures and producers' goods.

The outlook for sales of U.S. goods to Denmark for the remainder of the year is promising, in spite of the sharp decline in U.S. exports to Denmark for the first quarter of 1965 which coincided with the strike in the U.S. shipping industry. The short-term outlook for U.S. exports of capital goods and for chemicals is particularly good.

Poor prospects for increase

Although prospects for a substantial increase in sales of consumer goods is not promising, imports of wearing apparel into Denmark in 1964 increased 28% by value over imports in '63 with imports from the United States increasing by 37% compared with 1963. The U.S. moved up to seventh place from eighth as supplier to the Danish market. A survey of Copenhagen department stores showed that American cotton pajamas and shirts, made from either cotton or cotton and dacron are competitive, as are sport shirts and jackets. In women's wear, American-made lingerie, blouses, terry cloth robes and beach shifts, and nylon housecoats continue to be imported in sizable quantities.

After the publication of the January retail price index, the government took steps to slow rising prices by passing a mixed package of fiscal measures designed to yield a $174 million budget surplus and relieve excess demand pressures in the economy. An increase in the wholesale turnover tax from 9 to 12½% will provide the largest part of the extra revenue.

Following the passage of the government's counter-inflationary tax program, the Parliament on March 30 approved the $2 billion Danish budget for FY 1965/66.

Budget up 20%

The new budget is some 20% higher than in the previous fiscal year and stresses indirect rather than direct taxation, although receipts from personal income taxes are up 19%, resulting from application of unchanged tax rates to the 11% higher money incomes Danes received in 1964.

On January 1, a further 10% tariff cut took place within EFTA, reducing EFTA tariffs to 30% of the basic rates in 1959. This reduction in the EFTA tariffs may to some degree work against the competitive position of U.S. products.

A timetable for the removal of all of the remaining Danish quantitative restrictions on industrial products through December 31, 1966, has been established by the Ministry of Commerce.

Denmark's foreign exchange reserves declined further in April from $414 million on March 31 to $384.6 million on April 30. There has been a steady seasonal decline in Danish reserves since they reached a peak of $459.7 million at the end of December.

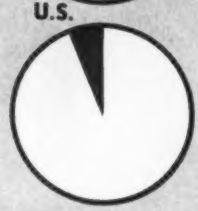
Finland

Business community confident that vigorous conditions will continue; imports rocket

By HAROLD McNITT
European Division, BIC

Finland's Imports, 1964

Total imports	$1,505 million
From U.S.	$ 92 million
U.S. share	6%



Finland's Exports, 1964

Total exports	$1,291 million
To U.S.	$ 74 million
U.S. share	6%

Principal imports from U.S.:
Machinery (non-electric), transportation equipment, fruit and vegetables, tobacco, electrical machinery.

Principal exports to U.S.:
Paper, paperboard and manufacture, wood manufactures, furs, pulp and waste paper.

The Finnish market attracts an increasing number of American exporters. U.S. sales to Finland made major gains in 1964 and further moderate progress is expected this year.

This forecast is based on continued vigorous business activity in Finland. The present economic uptrend reflects increased world demand for the nation's chief exports—paper and pulp. Stimulated by rising production in these industries, other Finnish manufacturing facilities also are increasing output.

Finland's gross national product (GNP) reached $7.8 billion in 1964, an advance of more than 5% in real terms over the previous year. A slightly smaller increase—between 4 and 5%—is predicted this year.

Domestic investment expenditures played a big role in the 1964 upsurge. Private investment jumped 14% in real terms, much of it going into plant expansion and modernization. Public investment advanced 13%. Although a tight money market may dampen private expenditures somewhat this year, planned public investment should surpass last year's level.

Confident outlook

In view of these developments, Finland's business community is quite confident that present prosperous conditions will continue. This attitude is tempered, however, by a persistent balance-of-payments problem. Finland currently buys more than it sells on the world market. In 1964 the excess of imports over exports reached a record level of $214 million. This deficit was met chiefly through long-term borrowing from abroad. Finnish efforts to achieve a more satisfactory trade balance this year may reduce demand for certain imports.

Among the measures already taken by the Finnish Government to reduce the trade deficit are a temporary ceiling on loans and credits by banks and other financial institutions, certain technical limitations on import credits, and tightened restrictions on installment buying of automobiles, trucks, and major household appliances.

Finnish trade rockets

Finland's imports reached a record level of $1.5 billion (c.i.f.), last year, up 24% from 1963. Imports from the United States were valued at $92 million, also a 24% advance. The U.S. share of the Finnish market thus remained approximately constant at 6%. Finland's exports in 1964 were valued at $1.3 billion (f.o.b.), of which $74 million went to the United States. These expansive trends are expected to continue through 1965, though the pace will be more moderate.

Almost half of U.S. sales to Finland last year consisted of machinery and transport equipment. Shipments of nonelectric machinery, reflecting big Finnish demand for capital equipment, rocketed to $28 million, almost 50% higher than 1963 sales. Other impressive gains were scored by electric machinery (up 29%), chemicals (24%), miscellaneous manufactures (22%), and motor vehicles (132%).

Largely because of an exceptionally vigorous U.S. export promotion program in Finland, interest in U.S. products is developing rapidly.

Capital goods needed

The current upsurge in domestic investment—both private and public—spells major export opportunities for selected producer goods. Private investment in such industries as paper, chemicals, pharmaceuticals, and steel is substantial. Investment in new commercial and industrial construction also offers promise of significant orders.

In the public investment sector, Finland recently received a $28.5 million loan from the World Bank to finance a major highway construction and improvement program. In addition, the Finnish Government plans major improvements in its airport and rail transportation facilities. Other significant public investment plans call for construction of several modern hospitals, requiring a wide range of medical equipment. Each of these projects represents fresh export opportunities for alert U.S. manufacturers.

The U.S. trade promotion program in Finland this year will include a continued active search for new export opportunities in Finland.

American firms displaying their products in the new U.S. Trade Center in Stockholm report that potentially valuable contacts have been made with Finnish businessmen. The U.S. Embassy in Helsinki actively encourages Finnish businessmen to visit shows exhibiting products in which they have an interest.

Price rises moderate

Finnish price levels continued to rise in early 1965, though at a more moderate pace than the previous year. A combination of revised taxes, steep wage increases, and agricultural income adjustments accounted for the big rise in prices last year. In 1964 Finland's wholesale price index advanced 8% and the cost of living index, more than 10%. Although inflationary tendencies persist, it appears that price and wage increases will be moderate in 1965.

The volume of industrial production increased 7% in Finland last year. This upward trend continues unabated in 1965. Pacing the production advance are the paper, chemical and basic metals industries. These branches each increased production by 10% or more last year. Chemical industry output was boosted by newly expanded plant facilities. Further big gains in industrial production are anticipated this year.

France

U.S. exports expected to remain at record, despite slower French economic expansion

By ALEXANDER DAUMAN
European Division, BIC

U.S. sales to France this year stand a good chance of matching or even slightly exceeding last year's record amount of $1.1 billion.

Although exports to France declined in January and February, largely because of U.S. dock workers' strikes, an encouraging upturn in March indicates that these losses may be offset during the remainder of the year. A substantial annual increase is not to be expected, however, as the French economy is now expanding at a much slower rate than in the past few years. The 1965 gross national product growth rate is forecast at about 2.5%, whereas the annual growth over the past five-year period has averaged over 5%.

France's Imports, 1964

Total imports	$10,071 million
From U.S.	$1,136 million
U.S. share	11%

France's Exports, 1964

Total exports	$ 8,995 million
To U.S.	$ 471 million
U.S. share	5%

Principal imports from U.S.:
Machinery, precision instruments, aircraft, fuels and oils, cotton, organic chemicals, grain, residues from food industry.

Principal exports to U.S.:
Iron, steel and products, motor vehicles, alcoholic beverages, essential oils and perfumes, works of art.

One of the factors in the present slowdown is the slackening of consumer demand, which between 1962 and 1964 had been boosted by the arrival of 700,000 repatriates from Algeria. Credit restraints imposed by the Government and a stricter budgetary policy also have dampened domestic demand. With new orders declining, many businessmen have cut back their investment plans, and are awaiting further developments.

Upturn in sight

The year 1965 as a whole is expected to be one of transition toward greater stability. It should see a stronger trend toward industrial concentration and mergers, a better outlook in the financial market, and—toward the end of the year—an upturn in industrial production and private investment.

The first signs of improvement have already been detected this spring in the automobile and textile sectors. Both of these key industries had experienced declines in production in the latter part of 1964. Even though their gains are limited in scope, they may well stimulate an improvement in the French business outlook.

Business confidence also received a lift from new tax measures aimed at encouraging the flow of savings into long-term investment. French prices are regaining stability. The cost of living in March stood at 2.5% over March 1964, whereas the increase in the preceding 12 months had been 4%. Thus, the competitiveness of U.S. products on the French market will depend largely on price developments in the United States.

Total French imports rose in 1964 by 15% over the preceding year, reaching a record of over $10 billion. Imports of U.S. products soared to a record $1,136 million, an increase of 26.5% over 1963. The U.S. share of total French imports increased from 10.3% to 11.3%, reflecting partly an improved competitiveness of these products in France.

Imports of U.S. goods increased in most commodity categories with the largest absolute gains in machinery, chemicals, scientific instruments, aircraft (including military), cotton, grains, motor vehicles, oil seeds and oleagenous fruit, iron and steel products, meat and edible offals, and aluminum.

In January and February 1965 total French imports declined by some 5% from the level of the corresponding period a year ago. This decline was reversed in March, when imports rose by 5.8%. A sharp drop in French imports from the United States in January and February was largely caused by the dock workers' strikes in Gulf and East Coast ports, but imports from this country rose 8.5% in March.

Investment to rise

U.S. capital goods appear to have a continued excellent export potential in France. Private industrial investment by small and medium-size French firms will probably remain at relatively low levels until French businessmen can see the beginning of an upturn, but larger firms are expected to continue investing on the basis of a favorable long-term economic outlook in France and the Common Market.

According to a recent French Government forecast, investment in housing will increase this year by 5 to 15%. Non-military public investment will increase by 9.5%; military, 11%. Nationalized companies seem likely to boost their investment by 7 to 8%. Although private industrial investment may fall by as much as 5 to 6%, a substantial increase in agricultural investment should result in an overall rise of 4% in private investment.

The French concern over international—particularly U.S.—competition in the French and foreign markets provides a good opportunity to increase French manufacturers' awareness of the advantages of tooling up with the same types of American-made equipment that their U.S. competitors use.

The demand for U.S. consumer goods should continue to be good, although there are only a few signs of an incipient upturn in French consumer demand at present.

Real income higher

Workers' real income has grown by some 2% in 1964 and may increase slightly in 1965. Although department store sales last year were somewhat below the 1963 level, some chain stores reported significant gains. Many higher priced U.S. articles, provided they are of good quality and design, will benefit from a demand on the part of more affluent Frenchmen. This is particularly true of various gadgets, appliances, and wearing apparel, which are coming within the price range of many French families.

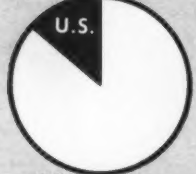
To help expand U.S. exports to France, the Bureau of International Commerce has scheduled a number of promotional projects including an information center at the International Building Exhibition at Paris next November.

Germany

Prospects for U.S. products favorable as economy surges ahead; imports gain

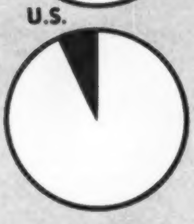
By MARGOT W. ZENER

European Division, BIC



Germany's Imports, 1964

Total imports	$14,710 million
From U.S.	$2,017 million
U.S. share	14%



Germany's Exports, 1964

Total exports	$16,230 million
To U.S.	$1,197 million
U.S. share	7%

Principal imports from U.S.:
Edible fats and oils, machinery, automobiles and aircraft, electrical and electronic equipment, chemicals.

Principal exports to U.S.:
Automobiles, electrical and other machinery, precision mechanical and optical products.

As the German economy, currently enjoying a period of rapid expansion, continues to surge ahead with renewed vigor, prospects for increased German purchases of U.S. products remain favorable.

German imports expanded rapidly in 1964 and the first quarter of 1965. Exports have also been growing, though at a slower rate than imports since mid-1964.

A resurgence of investment in plant and equipment, which assumed the leading role among expansionary forces in the German economy several months ago, has provided increased momentum. Faced with a persistent strain on domestic resources and longer delivery schedules, German buyers are turning to foreign suppliers for their needs. Undiminished growth in aggregate demand and an expected 3% increase in domestic price levels during the rest of 1965 should offer many sales opportunities to U.S. exporters.

Germany's gross national product (GNP) reached $103 billion in 1964, an increase over 1963 of 9.6% in current prices and 6.5% in real terms. Forecasters who at the beginning of the year had estimated that German economic growth would decline slightly this year to 5% in real terms, now expect the 1965 growth rate to equal the high level attained in 1964.

Manufacturers, optimistic about the future and thus striving to expand their capacity for production, are seeking labor-saving devices to cope with Germany's acute labor shortages. Because of these shortages, recent increases in domestic supply have been brought about almost entirely through advances in productivity.

Consumers' disposable incomes, boosted by a substantial income tax cut on January 1, should continue to grow as labor unions are able to get higher pay for their increasingly scarce talents. Sales of consumer goods are thus expected to increase by about 10% this year. Private consumption is playing an increasingly important role in the maintenance of German economic expansion.

Prices will go up

Since the rate of growth in the supply of goods and services will probably lag even farther behind demand this year than it did in 1964, prices are expected to increase, by up to 3%. Sharp price increases already have taken place in the industrial sector and are expected to reach consumer goods as well. These developments should offer U.S. exporters new opportunities in areas where they were formerly unable to compete.

Accounting for about 14% of total German imports, the United States remains Germany's principal foreign supplier. In terms of U.S. exports, Germany is the fourth largest export market of the United States, following Canada, Japan, and the United Kingdom.

German purchases from the United States passed the $2 billion mark in 1964, up 1.4% over 1963. That this growth rate is not more impressive can be attributed to a sharp decline in German Government purchases in the United States.

Imports grow

Total German imports in the first three months of 1965 reached about $4 billion, 23.5% higher than in the first quarter of the previous year. German imports from the United States during this period were over $500 million—the United States thus keeping roughly the same share of the German market as in 1964.

Principal German imports from the United States in 1964 included edible fats and oils, machinery, chemical products, and aircraft. Major German exports to the United States fall in many of the same general categories.

Effective February 1, Germany reduced its tariff rates on imports of about 30 agricultural products from the United States and other countries not members of the European Economic Community (EEC). Duties on whisky were reduced halfway between the former national rates and the proposed Common External Tariff (CXT) of the European Economic Community. The other reductions were to the level of the CXT. (See INTERNATIONAL COMMERCE, March 15, 1965, p. 45.)

Prospects good

As German industry continues to expand and specialize, the market for both basic raw materials and for advanced technological products will continue to grow. Good sales opportunities exist for any items which provide a saving in manpower—such as specialized automated equipment for industry. Heating and air conditioning equipment should find markets as the construction of new homes and renovation of old ones proceed at a rapid pace.

The Bureau of International Commerce is conducting an intensive commercial program to help U.S. exporters sell abroad. The mainstay of this program is the U.S. Trade Center in Frankfurt/Main.

Future shows now scheduled for the Trade Center are: Air Conditioning Equipment, Sept. 1-8; Nuclear Instrumentation, Sept. 28-Oct. 5; Pulp and Paper Machinery and Equipment, Oct. 20-27 (tentative); and Home Maintenance and Improvement, Nov. 11-16 (tentative).

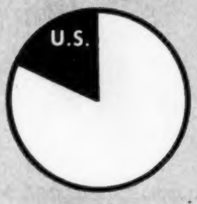
In addition, the United States will be mounting exhibits at the following German trade fairs this year: International Meat Industries Supply Exhibition (IFFA), Cologne, July 10-18; Welding and Cutting Trade Fair, Essen, Sept. 25-Oct. 3; German Industries Exposition, Berlin, Sept. 22-Oct. 3; and International Congress and Exhibition for Instrumentation (INTERKAMA), Duesseldorf, Oct. 13-19.

Greece

Cyprus crisis doubles payments deficit but industrial expansion creates market

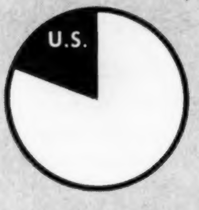
By JOHN J. EDDY

European Division, BIC



Greece's Imports, 1964

Total imports	$880 million
From U.S.	$161 million
U.S. share	18%



Greece's Exports, 1964

Total exports	$308 million
To U.S.	$ 59 million
U.S. share	19%

Principal imports from U.S.:

Agricultural commodities, industrial machinery, manufactured consumer goods, raw materials, petroleum products.

Principal exports to U.S.:

Tobacco, foodstuffs and beverages, raw materials, semi-manufactured products such as furs, and metals.

Due to the expected persistence throughout 1965 of Greece's present high rate of economic growth, prospects are excellent for increasing U.S. sales to Greece this year.

This is true even though some clouds are apparent in an otherwise bright economic picture, if Greece's heavy 1964 balance-of-payments deficit on current account is considered. The deficit, which amounted to $209 million, double that of 1963, was caused in part by the Cyprus crisis, which tended to inhibit the influx of emigrant remittances and dampen earnings from tourism. As a result, gold and foreign exchange reserves were drawn down $11 million in 1964, to the present level of about $250 million (Bank of Greece figures).

Greece's gross national product increased by 8.5% in 1964, and, on the basis of preliminary figures for the first quarter of 1965, this rate of growth will probably be maintained, if not exceeded, during the year. The higher incomes and industrial expansion associated with such a growth rate are resulting in strong demand for foreign goods, especially those not also produced in Greece.

Total industrial production in 1964 increased 10.6% over 1963, and during the first two months of 1965 was 9.3% greater than in the comparable 1964 period.

Agricultural production was in general impressively high last year, but present crop reports indicate surpluses of tobacco and wheat, and a shortage of cotton.

The issues of agricultural surpluses and subsidies are somewhat affecting Greek business confidence. Business circles are especially opposed to the present agricultural subsidy structure, which they contend dissuades farmers from shifting to crops other than tobacco and wheat and is resulting in budgetary and balance-of-payments problems.

Business circles are also dissatisfied over Government wage policies, which they argue are inflationary by being too permissive with respect to wage increases.

Price rise slows

The consumer price index in 1964 showed an average increase of only 0.8% as against 3% in 1963, while the wholesale price index rose 4.2%, a deceleration from the 1963 rise of 5.1%.

Total Greek imports from all sources in 1964 topped $880 million on a payments basis, up 17% from 1963. Once again, biggest gains were registered in capital equipment and raw materials, with fertilizers and chemicals performing especially well; foodstuffs and fuel imports also gained.

U.S. exports rose

Despite sharp competition from Common Market suppliers, who enjoy a slight tariff advantage in Greece, and economic pressures on the Greeks to buy more from Eastern Europe in order to dispose of Greek agricultural surpluses, total U.S. commercial exports to Greece in 1964 rose by 21% to $150 million (Greek payments statistics), and the U.S. share of the Greek market rose slightly (17.5 to 18%). If this trend continues during the current year—and the results for the first quarter are very encouraging—an additional $25 to 30 million of American commodities will be sold in Greece during 1965.

Prospects for U.S. sales are best for capital goods. Especially promising is the future for American exports of electrical equipment and chemical raw materials. But it is rather startling to note the rate at which direct consumption items are selling in Greece.

Imports of these goods rose by about 22% in 1964 and accounted for approximately half of total imports. The Greek Government has expressed some concern about the effect of these imports on the balance of payments, but has so far limited its intervention mainly to restrictions on installment purchases of automobiles. During the first quarter of 1965, consumer goods imports rose 30% over the same period of 1964 and, even with a spectacular rise of 54% in capital goods imports, again accounted for almost half of the nation's total import sales.

Looking at the other side of the Greek-U.S. trade picture, U.S. purchases from Greece last year, consisting predominantly of tobacco, dropped by about 13% to $59 million.

Foreign investment

Net private capital inflow in 1964 was double that of 1963, and early indications are that this trend has carried over to 1965.

Americans are finding Greece an attractive field for investment, even though the time-consuming Greek administrative procedures for approving foreign investments sometimes tend to dampen initial enthusiasm.

Factors favoring investment in Greece are the growing size of the Greek market, easy customs access to the EEC, proximity to Middle Eastern and African markets, and the low cost and high productivity of Greek labor.

Need processing plants

Inviting opportunities await the U.S. businessman who will make an effort to investigate the possibilities in Greece. For example, the quasi-governmental cooperative, Nea Agrex, is seeking to interest U.S. investors in financing the construction of fruit and vegetable processing plants.

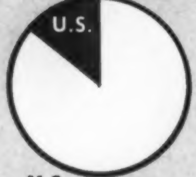
To assist U.S. businessmen in developing trade and investment opportunities in Greece, the Bureau of International Commerce plans a Business Information Center at the Thessaloniki International Trade Fair in September. The final report of the BIC Trade Mission which visited Greece last fall appeared in the January 11 issue of INTERNATIONAL COMMERCE.

Italy

Balance-of-payments surplus, vigorous Government programs bolster economy

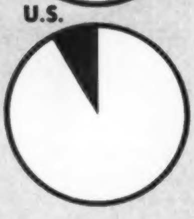
By FERNAND LAVALLEE

European Division, BIC



Italy's Imports, 1964

Total imports	$7,231 million
From U.S.	$ 980 million
U.S. share	14%



Italy's Exports, 1964

Total exports	$5,956 million
To U.S.	$ 507 million
U.S. share	8%

Principal imports from U.S.:

Corn, cotton, oil seeds, copper alloys, telecommunication equipment.

Principal exports to U.S.:

Wool garments, hosiery, footwear, laminated steel.

U.S. exports to Italy in each of the past three years have been near the $1 billion mark, and prospects seem good that this level will be maintained and perhaps even surpassed in 1965.

Stimulated by a large balance-of-payments surplus in 1964 and bolstered by vigorous Government programs, Italy's economy is showing encouraging signs of recovery this year. Many of the industries hardest hit by the recession are now bouncing back with renewed vitality, and although some sectors are still lagging behind, a general improvement in economic conditions is anticipated.

The gross national product (GNP) for 1965 is expected to increase by 3 to 3½%. Official data for 1964 reveal a rise in real terms of 2.7%. This low growth rate is accounted for by the drop in investment in 1964. Overall investment declined by 10.1% and industrial investment in machinery and equipment fell by 20.2%.

Italian businessmen appear to be agreed that the economy is now headed upward, and in both Government and business circles there is growing optimism. Among the various signs of improvement are the restoration of a full work week in many parts of the automobile industry, increased production and sales of automobiles, and increases in iron and steel output. Exports continue to increase, and imports also are rising mostly in raw materials and semi-finished products for manufacturing.

Stimulus for consumer goods

The rise in take home pay resulting from a return to a full work week in the automotive industry, and the increases in wages and pensions which took place in the first quarter should provide some stimulus to the demand for consumer goods. The growth in sales of automobiles in February and March is expected to continue and to extend to other durables, such as motorcycles and scooters, motion picture cameras, and record players. In nondurables, consumers will probably spend more out of their recently increased earnings for apparel and food products.

The expectation of a rise in consumer spending should lead, in turn, to increased imports of raw materials, including coal, scrap iron, cotton, and copper, and a large variety of semi-finished products.

Wholesale prices declined slightly in the first quarter of 1965. In March they were 0.4% below December 1964 and only 1% above those for March 1964. In March the index of retail prices was 0.9% higher than in December 1964 and 5.5% above the level of March 1964.

Because of the deficit in its balance of trade in 1963, Italy last year imposed certain credit restrictions which resulted in a drop in overall imports. With these restrictions now largely removed, imports are again expected to rise.

U.S. big supplier

The United States continued to be Italy's second largest supplier, after Germany, but the margin of Germany's lead over the United States has narrowed. In January 1965 imports of corn, cotton, oil seeds, copper alloys, paper pulp and telecommunications equipment from the United States were higher than in the corresponding month of 1964.

Purchases from the United States should increase in 1965. U.S. products enjoy a good reputation in Italy for their quality and prestige value and Italians are generally favorably disposed towards them. The measure of success of U.S. sales in Italy depends largely, however, on the efforts which will be made by U.S. businessmen to take advantage of these favorable conditions to increase their share of the market.

One of the most effective devices to increase U.S. exports to Italy, has been the U.S. Trade Center in Milan. Now in its second year of operation, the Center has proved to be a useful means to promote sales of U.S. products in Italy and generate interest in subsequent purchases from U.S. suppliers. Results at the Trade Center have been rewarding as is evidenced from the many successes scored by individual exhibitors.

Exhibits scheduled for the remainder of 1965 are: Packaging Machinery, Sept. 11-17; Data Processing Equipment, Oct. 1-7; Boating Accessories, Nov. 2-8; Vending Machines, Dec. 1-7.

Broad programs

The Italian Government has drawn up wide ranging programs, touching upon practically all areas of the socio-economic structure of the country which, when fully implemented, should have far reaching economic, social and commercial effects.

Of equal significance is the Government's five-year economic plan now before Parliament. This plan for 1965-1969 aims at raising the GNP by an average of 5% a year, narrowing the income gap between north and south, and improving housing, transportation, and communications, schools, research and the social security system. Under the plan, a greater share of national resources would go toward providing funds for social needs, education, and medical care, and for increased purchases of consumer items such as autos, TV sets, and refrigerators.

In addition, the Government is continuing its road-building program. With its existing network of roads, tunnels and bridges, Italy is among the leading European builders of superhighways. Serious consideration is now being given to construction of a bridge over the Messina Straits connecting Sicily with the Continent. All of these programs add to the already promising signs of increased economic activity and should offer a receptive and expanding market for U.S. exports.

Netherlands

High level of economic activity expected to continue through 1965

By JACOBUS T. SEVERIENS

European Division, BIC

Netherlands' Imports, 1964

Total imports	$7,049 million
From U.S.	$ 775 million
U.S. share	11%

Netherlands' Exports, 1964

Total exports	$5,805 million
To U.S.	$ 224 million
U.S. share	4%

Principal imports from U.S.:
Corn and other grains, coal, machinery, airplanes and parts.

Principal exports to U.S.:
Canned meats, electrical machinery, office machinery.

The outlook is favorable for a moderate increase in U.S. exports to the Netherlands through the remainder of 1965.

The high level of economic activity which prevailed in 1964 is continuing this year. Early 1965 figures show a 6% gain in industrial production. Imports are reaching slightly higher levels than in corresponding periods of 1964. Wages and prices continue to rise, although at more modest rates than in 1964.

The 1964 gross national product reached $16.1 billion, a 7.5% increase in real terms compared with 1963. A 4% growth is projected for this year. Industrial production over the year is expected to grow by about 4.5%.

Despite tight credit conditions, an increase in investments is expected during 1965. While total gross investment is projected to rise only about one-half of one percent, a 9% increase in housing and a 4% gain in other fixed assets are anticipated. The number of dwelling units completed in the first two months of the year reached a record 14,239, a 27% increase over the like period of 1964. Activities connected with natural gas exploration and transmission, as well as the conversion of gas connections in major cities, should provide a strong fillip to the economy.

Wages up

Boosts in wages and social benefits running 5 to 9% above 1964 levels, plus a $145-million cut in personal income taxes effective in July, should encourage greater consumer spending. Tight installment sales regulations and the inducement for savings created by higher interest rates, however, may limit gains in such spending. In all, a 5% increase in private consumption appears likely. Among the chief gainers in retail sales should be automobiles, furniture, housewares, wearing apparel and jewelry.

Consumer prices for the year are expected to average about 5.5% above 1964 levels, compared with a year-to-year gain of 6.5% in 1964. The gradual effectiveness of bans on collective price fixing and resale price maintenance of key consumer durables may temper some price hikes.

Restraints on domestic demand may hold the rise in imports to a modest 5% above the 1964 level. Exports expected to show an 8% gain.

Imports for the entire year 1964 reached $7,049 million, 18% above the 1963 level; exports totaled $5,805 million, up 17%. Netherlands imports from the United States last year rose 21% to $775 million. The U.S. market share edged up to 11%, compared with 10.9% in 1963. Dutch exports to the United States rose to a new high of $224 million, 10% above the 1963 mark. The U.S. share of Dutch exports, however, fell to 3.9%, compared with 4.1% in 1963.

Leading imports from the United States last year were corn and other grains, oil seeds, coal, and non-electrical machinery. Substantial gains were reported in Dutch purchases of U.S. milk and cream, plastics and artificial resins, oil seeds, motor vehicles, and organic chemical products.

Total Dutch imports for the first quarter of 1965 amounted to $1,748 million, 2.4% over the like period of 1964. January-February imports from the United States, affected by the U.S. East Coast dock strike, fell 25% to $94 million, compared with the like period of 1964, decreasing the U.S. share of the Dutch market to 8.4%, from 10.8%.

EEC partners gain

The Netherlands' Common Market partners continued to strengthen their positions as Holland's chief suppliers, increasing their aggregate market share to 57.5% in January from 52.1% in the like month of last year.

Dutch exports for the first three months totaled $1.5 billion, an 11.9% gain over the like period in 1964. January exports to the United States, however, fell 25% to $14.4 million, dropping the U.S. share of Dutch exports to 3.7% as against 5.4% for the comparable month 1964.

Good prospects

Opportunities to increase exports of many U.S. products to the Netherlands are excellent, especially for air and water pollution control equipment, natural gas equipment, food processing machinery, chemicals, scientific instruments, automation equipment, office machines, paper products, photo equipment, and food specialties.

U.S. Government trade promotion activities in the Netherlands for the balance of the year will be highlighted by an exhibit at the Machinery and Equipment Fair (MACHEVO), Utrecht, Oct. 13-20. This exhibit will feature machinery and equipment for the foodstuffs and beverage industries.

In the coming months the Netherlands will be visited by mobile trade exhibits organized by various U.S. companies and supported by the U.S. Government. Containerized/ship exhibits are planned for the ports of Amsterdam and Rotterdam in August and November. In September, Rotterdam is scheduled to host a truck-trailer caravan displaying a variety of U.S. wares.

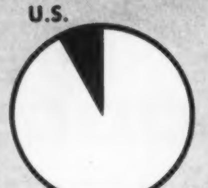
In addition, three industry-organized Government-approved trade missions are scheduled to visit the Netherlands this fall:

- State of Kansas, Sept. 28-Oct. 2, Amsterdam and Rotterdam.
- American Plywood Manufacturers Association, Oct. 10-12, Amsterdam.
- State of Nebraska, Oct. 17-20, Amsterdam and Rotterdam.

Norway

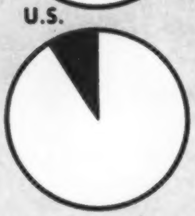
With economy operating close to capacity, consumer demand expected to remain strong

By GRANT OLSON
European Division, BIC



Norway's Imports, 1964

Total imports	$1,982 million
From U.S.	$ 148 million
U.S. share	8%



Norway's Exports, 1964

Total exports	$1,200 million
To U.S.	$ 120 million
U.S. share	9%

Principal imports from U.S.:

Machinery (non-electric), chemical raw materials, grain, oilseeds and nuts.

Principal exports to U.S.:

Metals other than iron and steel, fish and fish products, furs and skins, iron and steel.

The outlook for the sale of U.S. goods in Norway in 1965 continues favorable.

The economy, which operated at a high level in 1964, is expected to continue to expand in 1965 but at a somewhat slower rate than in 1964. Norwegian market indicators showed industry operating at or near full capacity in nearly all sectors at the beginning of this year. The growth in employment and wage increases are keeping consumer demand strong. A general wage increase in mid-February increased further the disposable income of most wage earners.

Norway's gross national product (GNP), which reached a value of $6.6 billion (1963 prices) in 1964, is expected to increase by 4-5% in 1965. In 1964 Norway's GNP increased by 6%.

Growth policy

The Government's economic policy for 1965 is basically the same as the policies followed in recent years. It is designed to maintain rapid growth while avoiding measures seriously affecting the balance of payments and stimulating price rises.

Investment in the public sector of the economy will increase by about 5% in 1965, while expenditures for military and civil defense are expected to rise by 8%. Private-sector investment may total $2.5 billion, 7-8% over 1964. Investment in buildings and construction is likely to remain at about the same level whereas investment in machinery and equipment could increase by 8%. Norwegian forecasters expect investment in ships to increase by over 14% to a value of $600 million.

The important Norwegian shipping industry is fully employed. No ships were reported laid-up at the end of the first quarter of 1965. Earning prospects appear good. The freight indices published at the beginning of 1965 showed favorable increases over 1964.

Norwegian fisheries had mixed production results during the first months of 1965. Unfavorable weather conditions reduced the winter herring catch and the spawning cod catch was one of the poorest on record. Catches of other types of fish were at more normal levels.

Wholesale prices remained substantially unchanged during the last months of 1964 and changed only slightly at the beginning of 1965. The consumer price index moved up at the beginning of 1965 after remaining fairly constant during the final quarter of 1964. A consequence of the rise in the consumer price index was an income adjustment covering most wage earners, farmers, public employees and fishermen under price and wage agreements. The general turnover tax, which was increased from 10 to 12% on Dec. 1, 1964, contributed to the rise in the consumer price index. This tax, assessed on both domestic and imported goods, is levied on the duty-paid value of imported goods. Its increase could affect the competitive position of U.S. goods.

Imports

Imports into Norway from all sources in 1964 had a total value of some $2 billion. It is estimated that commodity imports will increase 5% (by volume) in 1965. Ship imports, which are classified separately in Norwegian trade statistics, are expected to increase substantially in 1965. This increase in Norway's commercial fleet is expected to increase freight earnings by about $28 million. It is predicted that imports of capital goods will continue to grow because of the expansion of investments in machinery and equipment. The demand for imports of consumer goods is considered rather favorable, but will probably not be quite as strong as for capital goods.

The United States supplied goods valued at $148 million in 1964 or 7.5% of total Norwegian imports, an 18% increase over 1963. Machinery and equipment accounted for 21% of imports from the United States in 1964. Other significant product groups (in order of importance) were: chemical raw materials, grain, oilseeds, automobiles and automotive equipment, fruit, and tobacco and tobacco products.

Free movement

American industrial goods move freely into the Norwegian market. Import license restrictions have been removed for all commodities except a few agricultural products. Payment for American goods is freely convertible into dollars.

Good opportunities for U.S. exporters are offered by deck machinery and galley equipment for ships, automated material-handling equipment, data-processing machinery, vending machines, textile specialties and food specialties.

The new U.S. Trade Center in Stockholm provides opportunity to bring U.S. products to the attention of interested Norwegian importers.

Norway's export trade showed a noticeable increase during 1964. Commodity exports (excluding ships) rose by 19% in 1964, reaching a value of $1.2 billion. A 5% rise in exports is predicted for 1965.

The most significant increases in 1964 were recorded by metals (particularly aluminum and nickel), wood pulp and paper, fish and fish products. There were other substantial increases in the sale of engineering products, clothing, textiles and furniture.

The United States, which ranks fourth as a market for Norwegian exports (preceded by the United Kingdom, Germany, and Sweden) bought goods to a value of $120 million—14% over 1963. The United States is a leading market for such products as canned fish, raw furs, ferrochrome, nickel, and unworked unalloyed aluminum.

Spain

All signs point to continued expansion if inflationary trends are checked

By ARLEY T. CAUDILL
European Division, BIC

All signs indicate that Spain will remain a good market for U.S. goods during the coming months, if mounting inflationary pressures can be held in check. First quarter figures indicate that imports are continuing their rapid increase.

Demand should be particularly good for industrial equipment needed for the Economic Development Plan, which is now in its second year. There is an increasing demand for consumer goods as national income rises. Spanish reserves of gold and foreign exchange continue at a high level. Recently, the Government liberalized the importation of some 80 additional items.

Spain's Imports, 1964

Total imports	$2,260 million
From U.S.	$ 353 million
U.S. share	16%

Spain's Exports, 1964

Total exports	$ 920 million
To U.S.	$ 96 million
U.S. share	10%

Principal imports from U.S.:
Industrial machinery and equipment, edible vegetable oils, coal, tobacco, and petroleum products.

Principal exports to U.S.:
Vegetable foodstuffs, olive oil, metallic ores and manufactures, canned fish, beverages, and printed matter.

Growth tops target

Provisional estimates of the National Institute of Statistics show Spain's GNP at $17.7 billion in 1964, an increase of 7.5% in real terms over 1963. National per capita income in 1964 is estimated at $490, compared with $439 in 1963.

While the growth rate in 1964 was lower than the exceptionally high rates of the preceeding three years, it is well in excess of the annual target of 6% set by the Economic Development Plan for 1964-67.

Business confidence appears very good at mid-year. There is some concern over inflation, but Government measures are expected to restrain its further growth. Investment under the plan is, in general, proceeding satisfactorily. However the agricultural sector, suffering from drought for the second consecutive year, is the cause of considerable concern.

The general cost of living index at the end of March was 16.4% above its level a year earlier.

Imports booming

Spain's total imports continued to increase, totaling $2,260 million in 1964, up 15% over 1963. The U.S. share, according to Spanish statistics, was $352.8 million, up 10% from the $30.3 million of 1963. The U.S. share of the market declined slightly, from 16.2 to 15.5%.

Spain's imports totaled $651.4 million in the first quarter of 1965, or 20% over the corresponding period of 1964. The U.S. share was $93.2 million, or 14.3% of the total, down somewhat from the $95.5 million and 17.3% share for the first quarter of 1964.

Spanish exports totaled $920 million in 1964, up 25% from the 1963 total. The United States took $96 million, an increase of 21% over 1963. Fruit and vegetable exports alone accounted for one-third of Spain's 1964 exports. Several manufacturing sectors registered good gains, notably chemicals, machinery and electrical equipment.

Gains in exports of manufactured goods, occuring in a good business year in Spain, indicates that Spanish industry is becoming more export-minded and that the past four years of capital equipment renewal are paying off. Spanish businessmen traditionally had sought foreign markets only when the domestic market was depressed.

U.S. sales prospects

Under the stimulus of the Development Plan the best import prospects appear to be for industrial machinery and equipment. Other items are vegetable oil, tobacco, coal and petroleum products. A worsening of the drought could increase the need for grains and other agricultural products.

To assist U.S. exporters in entering the Spanish market, the United States participated officially in June's Barcelona International Fair with a commercial exhibit featuring hand power-tools, light machine tools, and metal-working machinery.

Impressive development

By most standards the first year of Spain's four year Economic Development Plan was a success, as goals in nearly all economic sectors were met, according to a preliminary report of the Plan Commission.

Among the achievements emphasized in the report were rises of 11.6% in industrial production, 25.7% in exports, 35% in tourist receipts, and 30% in inflows of long-term private capital.

While Spain's economic performance in 1964 was impressive in many respects, observers have become increasingly aware of two factors which could cancel out the economic progress which the Development Plan is designed to foster. They are a chronically depressed agriculture and the continuation of inflationary pressures.

The Development Plan report shows a drop of 9.7% in agricultural production. A large part of this decline is due to unfavorable weather, principally drought.

Preliminary balance-of-payments figures released by the Spanish Foreign Exchange Institute for the first two months of 1965 show a surplus of $9.3 million, down from the $29.1 million in the corresponding period of 1964. Although direct category comparisons cannot be made with last year because of recent changes in the Exchange Institute's method of compiling currency movement statistics, it appear that inflows in the service and long-term capital accounts are not meeting expectations.

Tourist boom

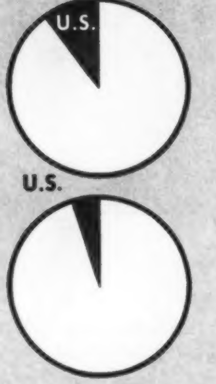
Tourism remained the single most important factor in the balance of payments. Spain was visited by over 14 million tourists in 1964, a 35 percent increase over the preceding year's level. Tourist receipts amounted to $900 million, well above the $611 million total of 1963. Remittances from the approximately 723,000 Spaniards working elsewhere in Europe in 1964 amounted to $380 million.

Sweden

Favorable conditions of 1964 carry over into 1965 with further expansion planned

By GRANT OLSON

European Division, BIC



Sweden's Imports, 1964

Total imports	$3,849 million
From U.S.	$ 385 million
U.S. share	10%

Sweden's Exports, 1964

Total exports	$3,668 million
To U.S.	$ 198 million
U.S. share	5%

Principal imports from U.S.:
Machinery and appliances, foodstuffs, and motor vehicles.

Principal exports to U.S.:
Automobiles, machinery and apparatus (non-electric), iron and steel, woodpulp, furs.

Business continues to be good in Sweden, although the economy is moving ahead at a somewhat slower rate of increase than it did in 1964. U.S. trade with Sweden, which benefitted especially from the outstanding growth of the Swedish economy in 1964, should develop favorably in 1965.

The gross national product (GNP), which advanced 6% in 1964 to $15 billion (at 1959 prices), is expected to increase by around 4.5% in 1965. This lower growth is considered to be more in line with the average annual rate set forth in Sweden's long-term economic projections.

Many of the conditions which made 1964 such a successful year continued to be present during the first part of 1965. Foreign and domestic demand remained good, although there has been some weakening among selected product categories. Labor demand is still high and industrial production continues to rise, with the increase reported more rapid for capital goods than for consumer goods. The February industrial production index at 366 was up 6% over 1964.

Investment plans

Strong business confidence is reflected in the reported plans of Swedish industry to invest about $240 million more in plant and machinery than in 1964.

The Minister of Finance summed up the nation's economic outlook for 1965 favorably when he presented his revised budget estimates to the Swedish Riksbank on April 23, 1965. The Government believes that it is quite possible to increase the GNP by 4.5% in 1965 without upsetting the Swedish balance of payments.

Prices, which stayed relatively stable during the first quarter of 1965 as compared with the last quarter of 1964, are expected to rise by 3.5% in 1965 due to increased costs for both labor and material. An increase in the turnover tax (from 6.4% to 10%), which goes into effect on July 1, 1965, is also expected to influence prices. Consumer prices have climbed, particularly in rentals, foodstuffs and services. First-quarter wholesale prices remained at December levels. Import prices have tended to remain relatively stable while export prices moved slightly upward from the December level.

The Government maintained its restrictive monetary policy into 1965 and increased the official discount rate from 5 to 5½% on April 9, 1965. Stiff monetary restrictions have been considered necessary because of continued economic growth and the further inflationary pressures which are expected to develop in the face of the impending increase in the general turnover tax.

Foreign trade high

Sweden's imports reached a level of $3.8 billion in 1964 with the United States supplying 10% or $385 million of the total. This share was approximately the same as the previous year. It appears that the United States will retain about the same share of the market in 1965. Current forecasts show Sweden's total imports rising by about 7.5% in 1965, following a 10% increase in 1964.

Trade with the United States expanded in all categories of goods in 1964, with imports of machinery and transport equipment accounting for over 36% of the total. Food products, tobacco and tobacco products (imports almost doubled in 1965), and chemical products also shared in the trade increase.

Although the European Economic Community is still Sweden's largest supplier, the European Free Trade Association member-countries showed a marked increase in their share of Sweden's trade during 1964. Imports from EFTA member-countries had a value of $1.2 billion in 1964— an increase of 19% over 1963. Imports of industrial products from EFTA member-countries now enjoy a 70% tariff advantage over products imported from non-members of EFTA.

Most U.S. products enter Sweden free of import license restriction. Sweden maintains rigid electrical, safety and sanitary regulations applicable to both domestic and imported products. American exporters have generally been able to comply with relatively little difficulty.

Promising product categories for American exporters are: advanced scientific, industrial and technical equipment, components, automatic control equipment for industrial processes, industrial chemicals, clothing specialties and food specialties.

The United States is carrying on an active trade-promotion program in Sweden, especially through the facilities of the Trade Center which opened on March 16, 1965. The first show at the Trade Center displayed packaging machinery to over 1,000 business visitors.

The following shows have been scheduled for the Trade Center during the balance of 1965: medical and surgical instruments, June 15-25; educational laboratories and systems, August 17-26; photographic equipment, accessories and supplies, September 21-October 1; commercial laundry and dry-cleaning equipment, October 20-29.

The United States is also participating in the Stockholm Technical Fair, October 1-7, featuring materials-handling and conveying equipment.

Swedish foreign-exchange reserves amounted to $1 billion at the end of March 1965, an increase of $82 million over the figure for March 1964. It has been forecast that Swedish gold and foreign-exchange reserves will remain relatively unchanged in 1965 or decrease slightly, after having increased by $155 million in 1964—a rise attributable largely to a short-term capital inflow.

There was an increase in commercial credits granted by exporters abroad to Swedish importers. This source is not expected to be as promising in 1965 because of tightened monetary policy in several West European countries.

Switzerland

Imports expected to gain moderately; economic growth should spur U.S. sales

By JULIA GRAHAM
European Division, BIC

Switzerland's Imports, 1964

Total imports	$3,598 million
From U.S.	$ 313 million
U.S. share	9%

Switzerland's Exports, 1964

Total exports	$2,653 million
To U.S.	$ 240 million
U.S. share	9%

Principal imports from U.S.:

Construction equipment, motor vehicles, aircraft, industrial machinery, chemicals.

Principal exports to U.S.:

Watches, machinery and mechanical appliances, organic chemical products, optical and other precision instruments.

Swiss imports in 1965 should register moderate gains over the record levels of 1964, providing good opportunities for U.S. exporters.

Continued economic expansion should result in rising Swiss demand for U.S. capital equipment and consumer goods, which probably will pace a modest overall increase in U.S. exports to Switzerland.

Unprecedented prosperity has marked the Swiss economy for the last five years, and there are no signs that this condition will change in the near future. Despite the acute labor shortage—made more critical by the cutback in the foreign work force—and despite the implementation of a multi-pronged anti-inflation program, business and personal spending have been increasing.

In 1964, the Swiss gross national product rolled up an impressive 5% gain in real terms over the 1963 level, reaching $12.9 million. The continued labor shortage and cumulative dampening effect of the anti-inflation program may hold the GNP increase to a slightly lower rate than last year.

Retail sales increased by 7.9% in 1964, compared with increases of 8.7% in 1963 and 11% in 1962 and 1961.

In February, the Swiss Government's anti-inflation program was extended by popular referendum for another year.

There are a few indications that the Government's program is curbing inflationary pressures. The cost-of-living index rose only 2.3% in 1964, compared with a 4% rise in 1963. Wholesale prices remained practically unchanged after increasing 4.3% in 1963 and 3.1% in 1964.

The impact of limitations on credit expansion and construction was particularly apparent in the building sector during the first quarter of this year. The number of industrial building permits involving new plants and extension of existing plants provided for only 2.5 million square meters of floor space, compared with 4.8 million in the first quarter of 1964.

Permits issued for residential construction slumped to 4,550 units, the lowest level in years. On the other hand, authorizations for public works, which account for about one-third of Swiss construction activity, continued to increase. Thus, demands on the construction industry, with a few local exceptions, continued to exceed its capacity.

In 1964 overall Swiss imports rose 11% above the 1963 level, reaching a total of $3,598 million. Imports from the United States were up 12% to $313 million, the U.S. share of the Swiss import market rose correspondingly from 8.6 to 8.7%. Major Swiss imports from this country included construction equipment, motor vehicles and parts, aircraft, machinery, chemicals.

On the basis of early returns, it appears that U.S. exports to Switzerland also may expand in 1965. Although Swiss imports from this country dropped sharply in February, as a result of the Gulf and East coast dock strikes, Swiss imports from the United States were up 10% in January and 15% in March over the corresponding months of 1964.

U.S. capital equipment and consumer goods are both sharing in the growing Swiss purchases of manufactures "Made in the U.S.A." All types of advanced labor-saving machinery and components are in heavy demand. Rationalization and automation have become increasingly important in the face of the acute labor shortage in Switzerland.

In automated machinery, electronic equipment appears to have the strongest market potential. The total electronic equipment market in Switzerland probably exceeds $200 million. The majority of this equipment is being imported.

Imports of statistical machines amounted to $13 million in 1964. The United States accounted for 46%. Imports of radar devices and equipment for radio command and control, and relay transmitters, totaled $16.5 million. The U.S. share amounted to 15.3%.

The growing trend toward adoption of electronic devices for process control, measuring and recording instruments and logistic elements and data processing for inter-office research and information is expanding this already booming market for U.S. electronics suppliers.

Miniaturized electronic and high-precision machine tool control equipment suitable for the Swiss watch industry, and mixing and packaging control equipment for the food industry, offer special opportunities for equipment suited to small- or medium-volume manufacturing operations.

The excellent market for U.S. electronic products in Switzerland will be explored in depth this fall when the U.S. Department of Commerce puts on an exhibit in the International Exhibition of Industrial Electronics (INEL) at Basel, September 7-11.

Instrument imports gain

Medical and surgical instruments and supplies are in increasing demand. Replacement of outdated equipment in use and numerous programs for equipping new hospitals led to a near doubling of imports in this category in 1964. There is also a good demand for examining and diagnostic instruments.

Water purification equipment has also attracted strong interest in Switzerland.

Fifty-one purification plants are under construction and 52 similar projects are ready for construction. The total cost of these planned and partially completed plants is estimated at about $121 million.

Additional products with outstanding sales potential in Switzerland include mechanical handling equipment, chemicals, a variety of semi-finished products, frozen meats, textiles, and recreational goods.

United Kingdom

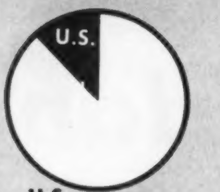
Rigid trade-balancing measures make import increases unlikely this year

By CHARLES HAMMOND

European Division, BIC

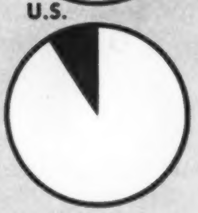
Considering the severe 1964 balance-of-payments deficit and the policies adopted by the U.K. Government to correct it, there is little chance for improving on the record 1964 level of U.K. imports from the United States.

However, there are favorable prospects for increasing U.S. exports of particular types of highly specialized and technologically advanced equipment needed to boost the efficiency of British industry.



U.K.'s Imports, 1964

Total imports (cif)	$15,438 million
From U.S. (cif)	$ 1,792 million
U.S. share (cif)	12%



U.K.'s Exports, 1964

Total exports (fob)	$12,341 million
To U.S. (fob)	$ 1,061 million
U.S. share (fob)	9%

Principal imports from U.S.:
Non-electrical machinery, cereals and preparations, non-ferrous metals, tobacco, electrical machinery.

Principal exports to U.S.:
Whiskey, non-electrical machinery, road motor vehicles, textile yarn, fabrics and articles, electrical machinery.

Presently, the U.K. Government's first priority in the economic field is balancing its overseas account. Last year's deficit of more than $2 billion is expected to be sharply reduced this year, and the goal is to close the gap by 1966.

A number of temporary measures have been instituted to moderate the growth of internal demand, thus checking the demand for imports and freeing resources for an expansion of exports. The most publicized of these measures was an import surcharge on most manufactured items, which was reduced from its original 15% to 10% on April 27. Other actions include a tighter money policy, budgetary restraints aimed toward curbing domestic demand, and a tightening of exchange controls to stem the long-term capital outflow.

Preliminary figures for the first five months of 1965 show some improvement in foreign trade—total imports remained at the same level as 1964, while exports increased by 6%.

Structural reforms

The Government recognizes that temporary measures alone cannot bring about the structural reforms in the economy required to improve long-run productivity. Programs introduced to implement this aim, include expanded export promotion activities, attacks on restrictive business and labor practices, modernization and development assistance, and an incomes policy.

The Government is pinning much of its hopes for long-term reforms on its incomes policy and on increased efficiency. A Department of Economic Affairs and a Ministry of Technology have been established to speed modernization and lend government support and assistance to such programs. These efforts to increase productivity point to the best opportunities for increased sales of U.S. goods.

Review board

To carry out the incomes policy, a National Board for Prices and Incomes was set up in April to review price and income cases in order to keep the annual increase in per capita money incomes within the guideline of 3 to 3½%. The Board will encounter difficulties in holding these guidelines, since the annual increase in wages is running at nearly 6% compared with 4.5% for the last quarter of 1964, and a number of claims for both wage and price increases are to be decided.

Gross national product (GNP) increased by 5½% in 1964, reaching $80 billion. Output has continued to rise in the early months of 1965, with the overall production index in February 4½% higher than a year earlier.

These inflationary pressures, a regular companion of British expansion since World War II, have prompted the Government to impose stricter controls on bank lending and to increase the minimum down payment on long-term consumer purchases to 25%.

Foreign Trade

Total U.K. imports rose 15% in 1964 to $15.4 billion. The expanding economy and heavy stockpiling boosted imports of industrial materials (basic materials and semi-manufactures) by 20%, accounting for one-half of the total increase in imports.

Imports of finished manufactures increased by 29%. Capital goods (up by $390 million), accounting for about ⅔ of this increase. Imports of consumer goods increased by $140 million.

Imports from the United States, up 28% to $1.8 billion, accounted for 11.6% of total U.K. imports (10.3% in 1963). Principal items (percentage increases in parenthesis) were: non-electrical machinery, $325 million (51%); electrical machinery, $114 million (32%); nonferrous base metals, $143 million (117%, but greatly affected by a steel strike in Wales); cereals, $160 million (7.7%); and chemicals and compounds, $63 million (22%).

Trade shows planned

Several upcoming London Trade Center exhibits scheduled for 1965/66 include: Industrial Fasteners, September 7-17; Non-Destructive Testing Apparatus, November 2-12; Analytical Measuring Instrument and Laboratory Apparatus, December 7-17; and Hotel and Restaurant Equipment, January 18-28. Other Trade Center shows tentatively scheduled are: Industrial Ceramics; Municipal Traffic and Security Devices; Executive Aircraft and Accessories; and Hospital Equipment and Furnishings.

Other trade promotion activities tentatively scheduled include U.S. participation in the International Heating, Ventilating, and Air-Conditioning Exhibition (HEVAC), April 14-22; and the Instruments, Electronics, and Automation International Exhibition, May 23-28.

Business Information Centers are scheduled for the International Gift Fair, January 31-February 4, and the International Hardware Trade Fair, February 1966.

Yugoslavia

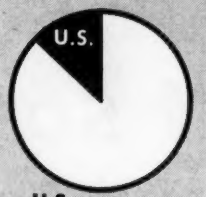
U.S. exporters will find it difficult to maintain last year's level in '65

By ARTHUR J. LAEMMERZAHL
European Division, BIC

U.S. suppliers will find it difficult to maintain 1964's level of exports to Yugoslavia during 1965, despite a slight increase in the first quarter this year over the same months of 1964.

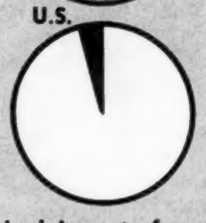
This year will be a year of retrenchment for Yugoslavia. Imports required to support Yugoslavia's rapid rate of growth during the past few years in the face of several damaging natural disasters have all but exhausted the country's foreign exchange reserves. Yugoslavia is rigidly enforcing regulations designed to prevent an expansion of imports in 1965.

A heavy debt repayment schedule, as well as a tendency to substitute imports from bilateral trading partners for imports from hard currency areas also will work against an expansion of U.S. exports to Yugoslavia.



Yugoslavia's Imports, 1964

Total imports	$1,322 million
From U.S.	$ 173 million
U.S. share	13%



Yugoslavia's Exports, 1964

Total exports	$ 892 million
To U.S.	$ 51 million
U.S. share	4%

Principal imports from U.S.:
Wheat, cotton, vegetable oil, machinery, corn, electric power machinery, milk and cream, fodder, coal and coke.

Principal exports to U.S.:
Lead, furniture, tobacco, meat, nails, bolts, dry fresh vegetables, cotton fabrics.

More moderate growth

Yugoslavia's 1964 gross national product in current prices has been estimated at $8,233 million—an increase of about 12.3% over 1963. A target growth rate of 9.3% has been set for 1965.

Consumer and investment demand remains strong in Yugoslavia, so that the chief problem for local manufacturers is not the lack of a market but rather increasingly serious shortages of essential equipment and materials. Although the spate of emergency regulations designed to stabilize the economy may be giving Yugoslav industrial managers some headaches, they apparently have not dampened their optimism.

A general price freeze was ordered early this year. One of the purposes of the price freeze is to stop the damage by domestic inflation to Yugoslavia's balance of payments. Nevertheless, given the fact that the present exchange rate (750 dinars to US$1) is somewhat unrealistic, imports would still, in the absence of other controls, enjoy a price advantage over domestically produced commodities. By itself, the price freeze will probably not have too great an effect on U.S. exports to Yugoslavia.

Bigger U.S. share

U.S. exports, as well as our share of the Yugoslav market, have increased in the first quarter of this year as compared with the first quarter of 1964. While Yugoslavia's total imports dropped from $309 million to $273 million, its imports from the United States rose from $36 million to $40 million and the U.S. share of the Yugoslav market increased from 11.6% to 14.7%. As one PL-480 agreement (surplus agricultural commodities) for $50 million was signed in March and another is expected, the U.S. share of the market, as well as our exports, may continue at a higher level than last year for the next couple of months.

Because Yugoslavia's exports to the Common Market have been decreasing while exports to the United States have been moderately increasing, the United States may become more attractive as a source of supply for Yugoslavia's requirements of manufactured items. On the other hand, Yugoslavia has been relying to a greater extent on its bilateral trading partners—principally the Eastern European countries—for raw materials previously supplied by the United States.

Yugoslavia is fully determined to continue decentralization of its domestic trade and liberalization of its foreign trade. Severe pressures on the Yugoslav economy have postponed implementation of some such measures, however, and in fact have resulted in greater Government intervention in the economy. Nevertheless, some rationalization, if not liberalization, of Yugoslavia's foreign trade system is expected this fall in conjunction with participation in the Kennedy Round negotiations.

Trade opportunities

Opportunities for U.S. business would appear best in capital goods and items Yugoslavia needs to enhance its ability to earn foreign exchange. Good prospects include cooperative ventures in tourism; sales of licenses and plant equipment for fertilizer production, aluminum mills, food processing and packaging; and in supplying mining, construction, and railroad equipment.

As in past years, the United States will participate in the Zagreb International Trade Fair, one of the major showplaces in the area. This year's theme, "Better Living Through Electricity," will feature the latest U.S. developments in electronics and electric power generation, transmission, and use.

Stabilization policy

The full impact of the measures Yugoslavia has taken to stabilize its economy can not yet be fully assessed. The major steps are summarized briefly, as follows:

Measures to tighten credit regulations, both for investments in fixed capital and for automobiles and other consumer durable goods.

A prohibition on new construction of Government buildings.

Requirements that local Government bodies increase their budgetary reserves and manufacturing enterprises deposit a greater percentage of the estimated cost of new investments.

A requirement that all enterprises engaged in foreign trade sign contracts with the Government, making hard currencies for imports available in a fixed proportion of their hard currency exports, and the elimination of automatic allocations of foreign exchange.

An increase in the reserve requirements of commercial banks, restrictions on expansion of the money supply, requirements that the commercial banks apply stricter standards of creditworthiness before approving loans, and more stringent controls on extension of credit for imports.

A freeze on virtually all prices.

Far East sales up 11%

One-sixth of U.S. sales abroad go to this vast, diverse and growing market

By ROBERT M. KLEIN
Far Eastern Division, BIC

Despite a sluggish start, U.S. sales to the Far East this year should show an advance over 1964 when overall shipments reached an all-time high and U.S. export records were established for 6 of the area's 13 countries.

The nations of the region, with only a few exceptions, are continuing to display steady economic progress, although frequently against a political background punctuated with domestic—and in some instances external—problems. In general, however, foreign exchange availabilities, augmented by grant aid and loans, are adequate to finance foreign purchases.

U.S. sales up by 11%

U.S. exports to the Far East last year rose to \$3.9 billion, an 11% increase over '63, representing nearly one-sixth of U.S. sales abroad. The gains were broadly dispersed, with higher purchases being made by Japan, Australia, the Philippines, Hong Kong, Taiwan, South Viet-Nam, New Zealand, and Laos. These heavier shipments more than offset reduced buying on the part of South Korea, Indonesia, Thailand, Malaysia, and Cambodia.

Statistical data for the first three months of 1965 indicate the disruption of trade patterns as a result of the longshoremen's strike. U.S. exports to the Far East for the first quarter, at \$915 million, were 5.6% below the '64 figure. Significantly, however, this was considerably less than the drop in American sales to the world. While this is partially explained by the fact that the unaffected West Coast ports are relatively more important to our Far Eastern trade than they are to U.S. trade with other areas, it is believed that the moderate extent of the dip in Far Eastern shipments also reflects the underlying strong demand of Far Eastern markets.

Because of the strike, U.S. first-quarter exports to the area registered substantial increases in only two cases. Exports to South Viet-Nam, mirroring military and political developments, were more than double the figure for the first three months of 1964. Sales to Taiwan, despite the phaseout of the U.S. aid program, were up by 29% over last year.

Australia, which set the pace for our Far Eastern exports last year when U.S. sales to the country jumped by over 40% to a figure of \$626 million, is expected to further increase its purchases of American goods in 1965.

U.S. exports to Japan, which represent about one-half of our total Far Eastern sales, reached a new high of \$1,908 million in 1964, up by 11% over 1963. With an increase in Japan's gross national product for 1965 projected at 7.5% in real terms, U.S. exports to Japan this year may top the \$2 billion mark for the first time.

Other expanding economies which offer enlarged sales opportunities include those of New Zealand, Hong Kong, Thailand, and Malaysia. U.S. exports to the first two countries may establish new records this year, while shipments to Thailand and Malaysia should recover the ground lost in 1964. Exports to South Korea, down last year in line with an overall contraction of Korean imports, should also pick up as the U.S. aid program continues and Korean exchange availabilities increase.

For the Philippines, however, U.S. exports may not exceed the peak performance of '64, as another reduction in Philippine tariff preferences for U.S. products became effective on January 1, in accordance with the Revised Trade Agreement between the two countries.

With the termination of U.S. aid-financed shipments to Indonesia, and the continuation of that country's political and economic difficulties, U.S. exports will register a further drop in 1965. The same will be true in the case of Cambodia, where trade is already at minimal levels, although U.S. exports to nearby Laos, bolstered by U.S. economic assistance, should show an upward trend.

Imports continue rise

On the import side, U.S. purchases from the Far East rose to \$3.3 billion, 11% above the 1963 level. Interestingly, this was about the same percentage gain as that recorded for U.S. sales to the area, and was somewhat higher than the increase in total U.S. imports for 1964. Nearly half of the Far Eastern countries shared in the enlarged U.S. import bill, with Indonesia, Taiwan, South Korea, and Hong Kong leading in percentage gains; and with Japan showing the greatest rise in dollar sales.

First quarter 1965 trade data, showing little effect from the longshoremen's strike, indicate that U.S. purchases from the Far East amounted to \$838 million, a substantial 26% spurt over the first three months of 1964. The 1965 total should easily exceed the record figure for last year.

The Far East is a vast, diverse, and constantly changing market, where the U.S. participation in supplying the requirements of the various countries ranges from high percentages in Japan, Korea, and the Philippines to relatively low figures for such countries as Hong Kong, Thailand, and Malaysia. In some cases, the reasons for the U.S.' high market shares are gradually disappearing, while in other instances, where the shares are small, the traditional reasons are often still present. Thus, in both situations, renewed selling efforts are needed, which require a recognition that the various markets are indeed different and therefore demand individual attention from U.S. exports.

Promotional efforts

The Department of Commerce has a variety of trade promotional efforts scheduled this year, which are aimed at probing, developing, and expanding the U.S. role in Far Eastern markets. In the early months of 1965, one official trade mission visited the Philippines, and another was sent to Taiwan and Thailand. This fall, a mission will go to Malaysia and Hong Kong. The official missions are in addition to several specialized industry-sponsored, Commerce Department-approved missions also scheduled for countries of the Far East.

Trade Fair participation by the Department includes full-scale exhibits at the Tokyo International Trade Fair, which was held in April, and at the Singapore Machine Tool Exhibition, planned for December, as well as a business information center at the Melbourne International Engineering and Industrial Exhibition which is set for August. In the meantime, the U.S. Trade Centers in Tokyo and Bangkok continue with their program of periodic shows tailored to the respective markets which they serve, while the recently opened Sample Display Center in Manila is beginning to develop local agencies for U.S. suppliers through its rotating product display service.

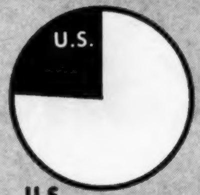
Australia

Concern over the domestic economic future shifts to Washington, London

By DEANE M. BLACK
Far Eastern Division, BIC

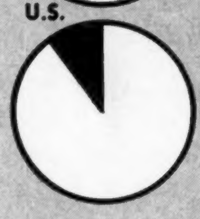
The outlook for a continued high level of U.S. exports to Australia in the coming months is good but tempered by a number of factors that may diminish the abnormally high rate of increase of 40% noted for 1964, when U.S. sales rose to $626 million.

U.S. exports to Australia tumbled sharply during the opening weeks of 1965 as a result of the dock strike in the East Coast and Gulf ports, but the setback was temporary and shipments are now moving at a higher rate than for the corresponding period of 1964. The export total for the first three months was $105.5 million.



Australia's Imports, 1964

Total imports	**$2,982 million**
From U.S.	**$ 727 million**
U.S. share	**24%**



Australia's Exports, 1964

Total exports	**$3,064 million**
To U.S.	**$ 291 million**
U.S. share	**10%**

Principal imports from U.S.:
Transportation and communications equipment, machinery, chemicals, electrical equipment, textiles, tobacco, books.

Principal exports to U.S.:
Meat, wool, non-ferrous metals, frozen lobsters, sugar.

The first quarter of the year also witnessed a marked shifting of Australian concern over the future of the domestic economy, as primarily a domestic matter, to Washington and London as the consequences for Australia of any restrictions on capital outflow stemming from the balance of payments measures of these countries became increasingly apparent.

Reserves drop

Fears over U.S. and British measures were accentuated when Australia's foreign exchange reserves dropped over $100 million during March to approximately $1.7 billion. Financial observers attributed as much as $45 million of the drop to capital outflow, and pointed to March as the first month in years in which there had been a net capital outflow. Further falls in foreign exchange reserves are anticipated, moreover, because of adverse trends in both capital inflow and in the overall balance of trade.

The inflow of capital during the first quarter of 1965 was running at an estimated annual rate of about $105 million compared with an annual average of $540 million in recent years. This factor, coupled with the adverse trend in the overall balance of trade where imports are continuing to outstrip exports, has created some uncertainties in the trade field.

Cast a shadow

On the domestic scene, various economic problems developed during the first quarter of 1965 to cast a shadow on the otherwise bright outlook. Serious drought conditions in New South Wales and Queensland, a growing shortage of labor, continued inflationary tendencies, and mounting pressures for increases in the basic wage, were all matters of real concern, but the general outlook nevertheless remained one of optimism.

Most economic indicators support the optimistic outlook, although some major indicators have recently been advancing at less than the anticipated rate. The gross national product (GNP) during the last quarter of 1964 had increased only 6.3% at current prices over the corresponding period of 1963, as compared with the annual increase of 9.4% in calendar 1964.

After a brief respite at the end of 1964, the labor shortage intensified during the first three months of 1965, and unemployment stood at less than 1% of the work force at the end of March, its lowest point in 10 years.

Bright exception

Western Australia stands as a bright exception, however, to many of the problems faced in other states of Australia. Confidence has mounted steadily in response to large-scale investments to be made in conjunction with four significant iron ore contracts signed with Japan since December, valued cumulatively at $2 billion or more.

Reflecting the heavy demands of a buoyant economy, Australia's imports in the first eight months of the current financial year (ending June 30) rose to over $2.1 billion compared with $1.7 billion in the same period of the previous financial year. Exports continued to decline, totaling about $1.9 billion compared to well over $2 billion in the first 8 months of 1963-64. The decline in exports reflected a lower volume of shipments concurrent with a fall in prices of some export commodities, particularly wool and sugar. The result of the rise in imports coupled with a fall in exports has been that Australia moved from a surplus of $159 million in its balance of visible trade for the quarter ending March 1964 to a deficit of over $38 million for the quarter ending March 1965.

U.S. exports continue rise

Australian imports from the United States in the first eight months of the financial year 1964-65 totaled $508 million or 34.5% above the same period of 1963-64, bringing the U.S. share of the market to 24.2%, a little less than that of the United Kingdom, Australia's principal trading partner. Again, the most impressive gains in the Australian market were made by Japan, which is well on its way to becoming Australia's third trading partner after the United Kingdom and the Unted States.

Any successful Japanese penetration of the Australian machinery and equipment market will be largely at the expense of traditional U.K. and U.S. suppliers, although the total market can be expected to expand rapidly as a result of recent mining developments.

Oil exploration and other mining developments, the demands generated by Australia's stepped-up defense program, and a high level of activity in the building and road construction fields augur well for a continued high level of U.S. exports to Australia, particularly in the field of machinery and heavy equipment. Opportunities also exist for many other kinds of building and construction materials and equipment, including such items as air-conditioning and heating systems.

Hong Kong

Insatiable market expected to set another new import record in '65

By TADD A. LINSENMAYER
Far Eastern Division, BIC

Hong Kong's Imports, 1964

Total imports	$1,488 million
From U.S.	$ 171 million
U.S. share	12%

Hong Kong's Exports, 1964

Total exports	$1,039 million
To U.S.	$ 223 million
U.S. share	22%

Principal imports from U.S.:
Cotton, machinery, air conditioning equipment, plastic materials, fruits and vegetables, tobacco, unset diamonds.

Principal exports to U.S.:
Clothing, plastic flowers, toys and sporting goods, fabrics, transistor radios, various metal manufactures, furniture.

Despite a relatively slow start in the first quarter, Hong Kong's total imports for 1965 should easily climb above the $1.5 billion level reached in 1964, while imports from the U.S. could reach $200 million or more, exceeding their peak performance of last year.

New business firms in 1964 were registered at a record rate of 28 each week, with a total new capital of $243 million. Many of these new firms, as well as their well-established competitors, will require a wide range of imported machinery and raw materials for the production of export goods. An increasing supply of imported consumer goods will also be needed to satisfy the demands of Hong Kong's growing, and by most Asian standards, prosperous population.

Hong Kong is truly a remarkable market. As a free port almost in the heart of the Far East, it is both an important market itself and an important distribution point for other Far Eastern areas. Industries thrive in its highly competitive atmosphere, which remains relatively free of government controls, and building activity, especially construction of office buildings, plants and warehouses, remains at a very high level although there are indications that high-cost residential construction may decline somewhat in 1965.

Factors such as the United Kingdom's import surcharge or the recent runs on local Chinese banks seem to have only a temporary effect on Hong Kong's economy and trade, and there is a feeling of confidence in the ability of the economy to grow and prosper, although perhaps at a slightly slower rate.

Imports reach $1.5 billion

Hong Kong's total imports, which increased by 12% in 1962 and 11% in 1963, jumped by over 15% or $200 million in 1964 to nearly $1.5 billion. Imports from the U.S. rose to $171 million, a jump of 25% over 1963. This was enough to push the U.S. ahead of the United Kingdom as Hong Kong's third principal supplier—a position which it lost in 1963—and give the U.S. 11.5% of the market compared to 10.6% in 1963.

For various reasons, however, total imports for the first quarter of 1965 rose only 10% above the first quarter 1964 level, while imports from the U.S. fell below the first quarter 1964 level by nearly 7%. The latter probably reflected, to a considerable extent, the effects of the dock workers' strike, and it is expected that increased U.S. exports to Hong Kong during the rest of 1965 will more than offset this first quarter drop.

U.S. sales gains

Several leading imports from the U.S. showed significant increases in 1964, and should offer excellent opportunities for additional U.S. sales in 1965 (value of imports from the U.S. in millions of dollars is given in parentheses): raw cotton ($18.7), polyethylene molding and extrusion compounds ($10.9), cigarettes ($9.7), fresh oranges ($7.5), soybean oil ($6.1), polystyrene molding and extrusion compounds ($3.6), paper board and wrapper paper ($2.5), lubricating oils ($2.1), fountain pens ($2), miscellaneous electrical machinery and apparatus ($1.7), fresh apples ($1.4), excavating machinery ($1.4), dioctyl phthalate ($800,000), accounting machines ($700,-000), aircraft parts ($700,000), and ball point pens ($700,000).

Additional opportunities should arise in such areas as air-conditioning and refrigeration equipment; construction machinery, equipment, and fixtures; packaging, assembly, and quality control machinery; other office machinery; various canned and frozen foods; and clothing, cosmetics, pharmaceuticals, and other consumer goods.

To promote the sale of U.S. goods in Hong Kong and to pinpoint areas in which U.S. goods are most competitive, the Department of Commerce sent an official Trade Mission to Hong Kong in 1963, which was followed in 1964 by the publication of a detailed report analyzing Hong Kong as a market for U.S. goods.

This trade promotion effort will be continued in 1965, with a second official Trade Mission scheduled to visit the Colony in November. Mission members will specialize in the fields of building materials, equipment and accessories; machine tools and light metal-working machinery; scientific, medical, optical and hospital equipment; consumer goods; packaging and handling machinery; and road building and heavy construction equipment.

In addition, a Department of Commerce exhibit of U.S. goods has been tentatively scheduled for early 1966.

Banking ordinance

One recent development which should have a direct effect on the stability of Hong Kong's economy is the new Banking Ordinance which went into effect on June 1. The Ordinance was a response to criticism that many banks were speculating and otherwise indulging in unsound banking practices which were endangering Hong Kong's economic development. The Ordinance stipulates that all banks must be re-licensed, that they must have a minimum paid-up capital of $870,000, and that their reserves must be no less than 25% of deposit liabilities. It also limits investment in real estate, unsecured credit, and holdings in other firms to 55% of paid-up capital and reserves.

The Ordinance, and specifically the capitalization requirement, may reduce the number of banks operating in Hong Kong, and hopefully it will also effectively prevent a repetition of this year's bank runs.

Indonesia

Depressing commercial outlook prevails as foreign exchange for imports stays limited

By M. VIRGINIA WEBBERT
Far Eastern Division, BIC

Overall U.S. exports to Indonesia will probably fall in 1965 because of the phase-out of U.S. aid-financed shipments. It also will be increasingly difficult to maintain "commercial" exports—those not financed under any U.S. Government assistance programs—at their recent level of $40-$50 million annually, since Indonesia's foreign exchange for imports will continue to be limited by low export earnings and heavy debt service requirements. The Government will thus continue to seek deferred payment arrangements.

Indonesia's exports in 1965, as in 1964, are expected to continue at a low level. In the first quarter of this year, Indonesian imports apparently rose slightly through the use of foreign credits.

U.S. exports to Indonesia

1964	**$ 68 million**
1963	**$109 million**
Decrease	**38%**

U.S. imports from Indonesia

1964	**$167 million**
1963	**$113 million**
Increase	**47%**

Chief U.S. exports:
Transport equipment, machinery, raw cotton, rice, iron and steel products, lubricating oil

Chief U.S. imports:
Crude rubber, crude petroleum, spices, coffee, tea

Source: U.S. Bureau of the Census

In 1964, various previously scheduled U.S. aid programs financed $19 million in U.S. exports to Indonesia or about 28% of total U.S. shipments. The phase-out of these programs, Indonesia's foreign exchange shortages, and the Government's insistence on a minimum of one year deferred payment terms for most imports, even of consumer goods, are major obstacles to maintaining trade. While other countries have at least partially insured exports from private companies to Indonesia, no medium-term guarantees or insurance are available to U.S. exporters from the Export-Import Bank or Foreign Credit Insurance Assn. for shipments to Indonesia.

Some exchange available

On the other hand, the Indonesian Government may continue to make available some foreign exchange for cash purchases in the U.S. of an essential or prestige nature. The automatic foreign exchange allocations granted exporters and producer-exporters known as SPP's (based on 20% of export proceeds), which may be purchased through authorized channels, provide a ready source of foreign exchange to finance the more essential imports.

The Indonesian Government has not so far defaulted on any commercial payment. However, the worsening financial position makes traders increasingly cautious in extending commercial credit.

Indonesia's guided economy is being steered toward elimination of the private international trader. It was announced in April that private firms may no longer import except "on behalf of the Government."

The exception refers to cases where state trading companies or state producers importing for their own use are unable to handle the import. State trading companies will also have a monopoly over nine types of exports, including rubber, copra, and spices.

Favorable development

A more favorable development is the new foreign exchange law enacted in the first quarter of the year which has had a helpful psychological effect by liberalizing many aspects of the previous stringent regulations. Certain types of foreign exchange are designated complementary foreign exchange and may be held freely or traded by owners. Bank accounts abroad were made legal and controls over the use of the complementary foreign exchange were relaxed slightly.

While it is unlikely that the new regulations will add much to total foreign exchange availability, it has been one of the factors creating a temporary lull in the inflationary trend during the first quarter.

U.S. exports to Indonesia (U.S. Census figures) fell from $109.3 million in 1963 to $67.8 million in 1964, mainly as a result of the reduction in commodities financed under various economic assistance programs.

Main U.S. sales

Principal U.S. exports to Indonesia in 1964 were transportation equipment ($16.7 million), machinery and apparatus ($15.8 million), and rice and raw cotton ($11.7 million). Japan, with exports to Indonesia totalling $121.1 million in 1964, greatly outdistanced the U.S. as a supplier, while West Germany was in third place with sales of $51.8 million.

U.S. imports from Indonesia increased from $113.4 million in 1963 to $116.9 million in 1964 due to the more than doubling of crude rubber imports and some increase in imports of crude petroleum.

In the first quarter of 1965 U.S. exports to Indonesia fell to $8.7 million while U.S. imports from Indonesia, amounting to $39.4 million, were running near the annual rate reached last year.

Enterprises seized

The status of U.S. investment in Indonesia, totalling around $500 million, changed drastically in the first quarter of 1965 as the Government took over virtually all U.S.-owned enterprises.

In late February it assumed management and control of the U.S. rubber estates in North Sumatra, and shortly thereafter almost all other U.S. firms were affected.

Except for motion picture distributors, whose operations are effectively closed down, Indonesian takeover teams have been installed and in most cases exercise the functions of management.

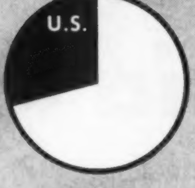
While U.S. personnel still continue to supervise production in the oil companies, elsewhere they either remain in an advisory capacity in reduced numbers or are excluded entirely from all operational contact.

The Government claims "ownership" is not being taken from U.S. investors, but their position is greatly changed and the eventual disposition of property rights remains to be clarified.

Japan

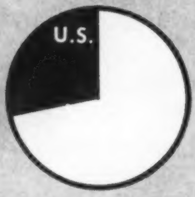
Growth rate slows, but still exceeds that of any other industrial nation

By RICHARD J. SMITH
Far Eastern Division, BIC



Japan's Imports, 1964

Total imports (c.i.f.)	$7,938 million
From U.S. (c.i.f.)	$2,336 million
U.S. share	29%



Japan's Exports, 1964

Total exports (f.o.b.)	$6,673 million
To U.S. (f.o.b.)	$1,842 million
U.S. share	28%

Principal imports from U.S.:
Ferrous scrap, industrial machinery, soybeans, raw cotton, wheat, coniferous sawlogs and veneer logs, coal.

Principal exports to U.S.:
Iron and steel, clothing, radio receivers, sewing machines, toys, footwear, motorcycles, TV receivers, plywood, nails.

U.S. exports to the growing but highly competitive Japanese market in 1965 are expected to show a moderate increase over the $1,908 million reported by the Department of Commerce for 1964. The 1964 figure, a new high, represented an 11% increase over 1963.

In first quarter 1965, U.S. exports to Japan totaled $496.5 million, down from $526.9 million for the corresponding period of 1964, but the decrease is largely attributable to delays caused by the dock strike.

The Japanese economy, however, is now undergoing a period of temporary readjustment, and its duration will determine the extent to which 1965 imports from the U.S. exceed the $2 billion mark.

Imports from Japan also expanded significantly in 1964, reaching $1,769 million, an 18% increase over 1963. The resultant trade balance was in favor of the U.S. by $140 million, compared with a $216 million favorable balance in 1963. First quarter imports from Japan totaled $481.3 million, up by 32% over the initial quarter of 1964.

The prospects for expanded U.S.-Japanese trade have improved with Japan's recent improvement of the balance-of-payments difficulties experienced in 1964. Japan has now relaxed the "tight money" policy instituted for this purpose, and indications point to a continued high level of economic growth. Japan's need for U.S. farm products and industrial raw materials will remain high, and a steadily rising standard of living will present opportunities to introduce more U.S. consumer products.

GNP still going up

Despite the tight money policy, real economic growth in the Japanese fiscal year (JFY) ending March 31, is estimated at 9.4%, making the gross national product (GNP) approximately $69 billion. This compares with a GNP of $62 billion and a growth rate of 12.1% in real terms for JFY 1963. The overall industrial production index was 166.8 for 1964, compared with 142.1 in 1963 (1960=100).

Japan's foreign capital inflows during JFY 1964 were characterized by a sharp drop in funds obtained by foreign purchases of Japanese securities, a drop in loans from U.S. banks, and an increasing ratio of loans obtained from other than U.S. sources. Restrictive screening practices by Japanese officials in 1964 reportedly held U.S. direct equity investment down to $18 million, compared with $33 million in 1963.

Japan's major economic problems are typical of nations with a high economic growth rate—inflationary pressures and recurring balance-of-payments problems.

Foreign currency reserves rose above $2 billion in January, up from a low of $1.8 billion in February 1964, and are undergoing further improvement as exports reached unexpectedly high levels in the early months of 1965.

Prices continue to climb, with the consumer price index standing at 131.1 in January, compared to 122.1 a year earlier (1960=100), and with a further increase of 4.5% in consumer prices estimated for JFY 1965.

A shortage of workers is resulting in rising labor costs, but productivity increases continue to exceed wage boosts.

On balance the Japanese economy is basically in good health and can be expected to expand at a pace that, while only moderate for Japan, will probably still be unsurpassed by any of the world's other highly industrialized nations.

Soft spots

Soft spots in the economy include a weakness in the stock market, a high rate of business failures, and unusually large inventories of finished goods.

The decline in the stock market has resulted primarily from a substantial withdrawal of small purchasers. Since late in 1964, a special Government corporation has been buying stocks to stabilize the market.

Bankruptcies reached noteworthy proportions in 1964, as many small firms couldn't keep pace with their competitors in a situation in which credit was difficult to obtain.

The inventory index of finished goods held by mining and manufacturing industries stood at 208.1 in January 1965, up from 174.4 in January 1964 (1960=100). Industrial expansion is being retarded by the working off of these excessive inventories.

Trade mix

The leading U.S. exports to Japan in 1964 were ferrous scrap ($203.3 million), industrial machinery ($147.1 million), soybeans ($136.4 million), raw cotton ($136.2 million), and wheat ($108.1 million).

U.S. exports, although at record heights in 1964, constituted a smaller share of Japan's total imports, just under 30%, than at any time since World War II.

Consumer products represent one of the best opportunities for export expansion. Japanese consumers recognize the excellence of U.S. products, and are increasingly able to buy them. The U.S. exhibition of leisure goods at the Tokyo International Trade Fair (April 15-May 6), resulted in immediate sales totaling $239,000 and estimated potential sales of $3 million for the 12 months following the show.

The U.S. Trade Center in Tokyo has planned shows featuring the following products for the (U.S.) fiscal year beginning July 1, 1965: air conditioners and dehumidifiers, animal husbandry equipment, advanced teaching aids, industrial fasteners, computer accessories, and special production equipment for the electronics industry.

Korea

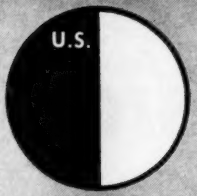
Trade and investment picture bright; 5-year plan spurs economic expansion

By JOYCE C. BACHMANN

Far Eastern Division, BIC

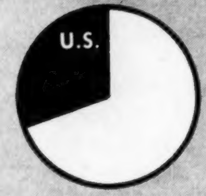
The outlook for trade with Korea over the next six months indicates a continuing upward trend from 1964 levels. Contributing to this movement are increased foreign exchange earnings from Korean exports, increased investment in equipment for new plants, a recent liberalization of imports, and sustained levels of financial aid from the United States.

Additional funds are expected from Japan when final agreement is reached on re-establishing normal diplomatic relations between the two countries. Korea and Japan have already come to terms on most basic issues, including loan agreements and increasing Japanese imports of Korean goods.



R.O.K.'s Imports, 1964

Total imports (c.i.f.)	$404 million
From U.S. (c.i.f.)	$202 million
U.S. share	50%



R.O.K.'s Exports, 1964

Total exports (f.o.b.)	$119 million
To U.S. (f.o.b.)	$ 36 million
U.S. share	30%

Principal imports from U.S.:

Raw cotton, wheat and meslin, phosphatic fertilizers, machinery and equipment, conifer saw and veneer logs.

Principal exports to U.S.:

Plywood, raw silk, clothing, cotton textiles, human hair, fish and shrimp, and tungsten.

Preliminary estimates place Korea's Gross National Product (GNP) at $2.1 billion in 1964, based on the post-May 1964 exchange rate. This represented an increase of 6.9% in real terms over 1963.

Manufacturing production increased by 6.8%, with the opening of three new cement plants, a petroleum refinery, and full production at both fertilizer plants.

Intensive Government activity is beginning to bring about greater economic stability. The Government's first five-year economic development plan—emphasizing export promotion, tax reform, increased food production, industrial development, and steps to curb inflation—has almost run its course, and the second plan is being drafted.

Both wholesale and consumer prices increased only moderately in 1964, and attempts to curb inflationary tendencies appeared to take effect, although consumer prices rose substantially in the first quarter of 1965.

Pushing exports

Korea's exports dominated trade news in 1964. The goal of $120 million was nearly achieved, with the target for 1965 set at $170 million. Recent implementation of a fluctuating exchange rate and a foreign exchange certificate market in order to reach a realistic Korean won-dollar value, intensive export promotion measures, increasing awareness by Korean businessmen of the importance of a good business reputation abroad, and diversification in export lines should all help to achieve this goal.

Total Korean imports were expected to increase by about 15% above the 1964 value of $404.4 million, but first quarter performance was not consistent with expectations.

U.S. sales to Korea for the first quarter of 1965, at $40.7 million according to U.S. data, represented a slight dip of 2% from first quarter 1964, but this was entirely due to the dock strike. For the year, reflecting an expansion in overall Korean purchases, U.S. exports should be up significantly.

U.S. still main supplier

The U.S. share of the Korean market is expected to remain at about 50%, its 1964 level. Helping to hold it at that level will be the U.S. share of Korea's aid-financed imports. Total aid-financed imports in 1964 were $142.6 million, of which $134.8 million came from the United States.

The U.S. share of the more competitive commercial imports purchased with Korea's own foreign exchange (KFX) reached about 21% ($38.8 million of $184.5 million) in 1964, but U.S. exporters can expect very strong competition in this market from Japanese businessmen. Japan already has a 47% share of the KFX market (and 25% of all Korean imports), and Japanese traders, in anticipation of normal relations for the first time in 60 years, are flocking to Korea.

The major U.S. exports to Korea, noted in the accompanying table, still offer the best opportunities for U.S. suppliers.

The liberalization of Korean imports which accompanied introduction of the floating exchange rate in March affords many new possibilities, since the number of items authorized for import has been increased from 737 to 1,431. About 1,300 of these items are automatically approved and require no ministerial licenses.

Another 626 items are still banned, including small manufactures of metal, household electrical appliances, paper, finished pharmaceuticals, and most yarns and cloth.

In addition to liberalizing imports, the Korean Government removed its export-import linking device, eliminated end-users sales contracts, and reduced the scope of barter arrangements. Foreign exchange certificates are now required for all foreign exchange expenditures except invisible transactions of less than $50, and the certificates are generated against almost all Korean exchange earnings from private sources and funds from AID.

Certificates are not issued, however, against surrender of foreign exchange receipts by UN/U.S. Forces, by foreign tourists, or under Public Law 480 arrangements.

Investment pace quickens

Important channels of entry to the Korean market for U.S. suppliers are direct equity investment, private technical assistance, and licensing agreements. Korea is becoming more attractive to foreign investors despite limited resources and continuing external threats to its security. A growing supply of managerial talent and skilled labor, sustained economic growth, government receptivity to foreign investment, and a foreign investment law with liberal incentives contribute to investor interest. By the end of 1964, ten joint investment projects had been approved (eight from the United States), and another 10 are pending approval or under negotiation. The greatest needs for development appear to be in the chemical, metal products, electronics, fiber and food processing, and labor-intensive industries.

Malaysia

Obstacles fail to halt growing unity; businessmen confident about future

By LOUISE H. HILLSON
Far Eastern Division, BIC

Prospects for increased U.S. exports to and investment in Malaysia continue to be favorable. Malaysia has continued to withstand the Indonesian confrontation and, despite some difficulties, continues to move toward economic integration. The country's gross national product (GNP) rose to $3,347 million in 1964, a 5.4% increase in real terms over 1963. Per capita GNP rose to $317, the highest in Southeast Asia.

Malaysian prosperity and general business confidence in early 1965 were boosted by improvements in the world markets for rubber and tin, rapid expansion in the timber industry, and continued industrialization and construction activity.

Malaysia's Imports, 1964

Total imports	$1,399 million
From U.S.	$ 86 million
U.S. share	6%

Malaysia's Exports, 1964

Total exports	$1,253 million
To U.S.	$ 164 million
U.S. share	13%

Principal imports from U.S.:
Tobacco, motor vehicles, non-electric machinery, chemicals and pharmaceuticals, petroleum products.

Principal exports to U.S.:
Tin and rubber.

The large number of trade and investment missions visiting Malaysia reflects foreign business confidence in Malaysia's further growth. Industrial estates in Malaya and Singapore are expanding, and a substantial number of new factories have opened. Construction has begun on automobile and truck assembly plants, and manufacturers of automobile parts have been made eligible for pioneer (tax exemption) certificates.

Coordination of industrialization policies was advanced when the Pioneer Industries Laws of Malaya, Singapore, and Sabah were amended to standardize the exemption period to a maximum of five years and linking the exemption period to expenditure on fixed capital assets in the form of factory and machinery.

The pioneer industries legislation of Sarawak will be replaced by new legislation modeled after that of one of the other Malaysian areas.

A new Malaysian enactment will eventually replace the existing laws. Although all four areas have their separate lists of pioneer industries, power to grant pioneer status rests with the Federal Government.

Import trade

Imports into Malaya and Singapore were valued at $1,399 million in 1964, a decline from the 1963 level of $1,649 million (complete data are not available for all of Malaysia). Total exports fell to $1,253 million from $1,442 million. A large part of this decline was caused by the cessation of trade with Indonesia.

Imports from the U.S. dropped to $86 million, compared to $93 million in 1963. However, the U.S. share of the Malaya-Singapore market rose to 6.1% (5.7% in 1963). As a supplier, the United States ranked behind the United Kingdom, Japan, Thailand, and Communist China, and was closely followed by Australia. Japan and the U.S. were the largest purchasers of Malaya-Singapore exports.

During the first quarter of 1965 Malaya-Singapore imports perked up to $385 million, compared to $338 million in the comparable period of 1964; exports rose to $329 million from $290 million.

U.S. sales up

U.S. sales to Malaysia were up slightly during the first three months of the year to $18.5 million. This is particularly significant since the increase took place despite the U.S. dock strike, and the rise probably would have been more substantial under ordinary circumstances.

Machinery and transport equipment continue to make up close to one-half of U.S. exports to Malaysia. The main categories are industrial machinery, tractors and parts, construction and excavation machinery, and electrical machinery. Other important U.S. sales are in tobacco and its manufactures, petroleum and products, chemicals, metal manufactures, and professional and scientific instruments.

United States products are well received in Malaysia, but American suppliers face strong competition from British, Japanese, Australian, and West European suppliers. U.S. suppliers can win more sales by giving closer attention to the Malaysian market, and by recruiting and supporting competent distributors.

Malaysia offers increased opportunities for foreign investors and exporters. The construction industry is very active in both the private and public sectors, with the Government emphasis being on low-cost housing. Malaysia needs more building materials, equipment and accessories, as well as construction and excavation machinery, which should provide many opportunities for U.S. suppliers. High tin prices have encouraged expansion of tin mining, raising the demand for pumps, hoses, and other mining equipment.

Malaysian tariffs are fairly moderate and import controls are generally minimal.

The U.S. Government is planning two trade promotion programs to assist American exporters in marketing their products in Malaysia. A Department of Commerce Trade Mission will visit Malaysia this fall (INTERNATIONAL COMMERCE, April 5). U.S. producers will also participate in the Singapore Machine Tool Exhibit, December 5-15. Privately organized trade groups are including Malaysia in their Far Eastern visits, and in increasing number of business firms are sending representatives to explore Malaysian business opportunities on the spot.

Investment wanted

Foreign industrial investment is invited and incentives are offered throughout Malaysia. Pending coordination of Federal and Singapore industrialization policies, foreign investors should fully explore the situation in each jurisdiction before making commitments to establish new plants.

The anticipated signing of an amended Investment Guaranty Agreement providing full coverage to all of Malaysia should prove a further boost to U.S. investment.

New Zealand

Strong export showing buoys hopes for continued record prosperity

By RICHARD N. KIRBY

Far Eastern Division, BIC

N. Zealand's Imports, 1964

Total imports	$887 million
From U.S.	$ 92 million
U.S. share	10%

N. Zealand's Exports, 1964

Total exports	$1,064 million
To U.S.	$ 140 million
U.S. share	13%

Principal imports from U.S.:
Agricultural machinery, machines and appliances, specialized industry machinery, plastic materials, chemicals.

Principal exports to U.S.:
Meat, wool, hides and skins, dairy products, casein.

U.S. sales to New Zealand should register further gains this year. Forecasts for a continuation of the record prosperity and growth reported in 1964 have been largely realized, and prospects remain reasonably bright through the balance of the year.

This is partially due to the continued improvement in export prices and stronger demand for most of the country's pastoral exports. External trade has stayed in reasonable equilibrium, production of primary products has increased somewhat, and a moderately rapid industrial expansion has occurred, particularly in industries serving domestic markets.

Gross National Product amounted to $4.4 billion, in the 1964 fiscal year (ending March 31, 1964), up 9% over the previous fiscal year, and the New Zealand Monetary and Economic Council expects another 9% rise in 1965.

Mainly because of higher prices, exports were $887 million in 1964, an increase of $160 million or 15% over 1963. The rise in export income, coupled with New Zealand Government policies designed to encourage farm investment, led to a sharp increase in farm expenditures, which have continued at a high level. The marked growth in Government expenditures and increases in wages and salaries have added to the flow of money. Consumer spending is well above last year's level, and the higher degree of monetary liquidity in the economy has been an important influence leading to marked expansion in building and construction expenditures.

U.S. share improving

The rise in national expenditure is also reflected in increased imports during 1964, although the balance of payments has not deteriorated because the imports have been paid for with higher export receipts. Total imports in 1964 were $887 million, 6.9% above the $829 million in 1963. Imports from the United States in 1964 amounted to $91.6 million, compared to $77.6 million in 1963, an increase of 18% thus the U.S. share of the market moved up a full percentage point to 10.3%.

New Zealand manufacturers and entrepreneurs generally prefer to buy American products. However, U.S. goods are hampered by the Commonwealth tariff preference, which averages about 18% for most items.

Nevertheless, and despite the tariff, the United States is now New Zealand's major new supplier, while the United Kingdom's share of the market declined 2% in both 1963 and 1964 to approximately 37%, while imports from Australia, which have tended to grow with the market, have remained relatively static at some 20% of the market for the past few years.

Import controls eased

For over 25 years most imports into New Zealand have been controlled by an extensive import licensing system which however, has not discriminated as to sources of supply. The purpose of this system has been to keep external trade in reasonable equilibrium and to forestall balance of payments problems. Recently the New Zealand Government has made concerted efforts, consistent with its international obligations, to remove broad areas of imports from licensing control as the country's external reserves have improved and as domestic production and consumption requirements have permitted relaxation.

In keeping with this policy, in September 1964 controls were lifted from commodities whose import value in the 1963-64 licensing year totaled $70 million, and restrictions will be removed on goods having an additional $130 million 1963-64 import volume at the opening of the licensing year on July 1.

About 90 product groups, representing a broad spectrum of goods, will be exempt from import licenses under this new liberalization which, when added to the previous exemptions, will bring approximately one-third of New Zealand's import requirements within the exempt category.

Of particular interest to American exporters are the following products which will no longer require licenses: agricultural tractors; certain agricultural implements, machinery and parts, including combine harvester-threshers, corn pickers, and pick-up hay-balers; heavy duty trucks; ball and roller bearings; textile piece goods; sausage casings; dried fruit; and iodized salt.

U.S. exporters should also note that for controlled items, in most cases it is the policy of the New Zealand Government to grant licenses for raw materials and equipment not readily available in New Zealand, particularly if they fill a vital need for a New Zealand manufacturing facility or will make an existing facility more efficient and develop higher production.

Direct contacts best

The U.S. Trade Mission to New Zealand in 1964 found that too many U.S. exporters were treating New Zealand as an appendage of their Australian marketing plans.

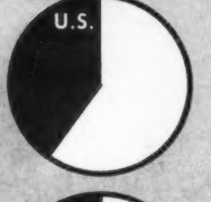
This month's inauguration of the American Trade Association of New Zealand in Wellington to encourage direct American-New Zealand business and trade, should go a long way toward increasing interest on the part of American exporters in this growing market, and to continue the momentum initiated by the Trade Mission.

Philippines

Overall economy performance encouraging but U.S. sales may not exceed '64 record

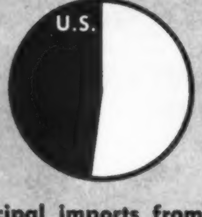
By KENNETH A. GUENTHER

Far Eastern Division, BIC



Philippine's Imports, 1964

Total imports (c.i.f.)	$868 million
From U.S.	$347 million
U.S. share	40%



Philippine's Exports, 1964

Total exports (f.o.b.)	$737 million
To U.S.	$352 million
U.S. share	48%

Principal imports from U.S.:

Machinery, transport equipment, textiles, raw cotton, chemicals, plastics, wheat.

Principal exports to U.S.:

Sugar, coconut products, cotton manufactures, logs, lumber (plywood), abaca.

United States exports to the Philippines in '65 are not expected to advance over the record 1964 level of $360.3 million, and imports into the U.S. from the Philippines may recede slightly from the '64 peak level of $390 million.

Although U.S. exports to the Philippines for the first quarter of this year, at $71.4 million, were down by 20% from last year, this reflects to a considerable extent the effects of the longshoremen's strike and cannot be taken as an indication of expected performance for the year as a whole.

Prospects are not good for continued growth in U.S. exports this year, because of the following factors:

- The reduction of the across-the-board tariff preferences accorded to American suppliers under the Revised U.S.-Philippine Trade Agreement to 10%—a level of preferences not considered significant because of higher freight costs for shipments from the U.S. which in turn result in higher tariffs since these are assessed on the c.i.f. value of imports.
- Drawing down of inventories built up in '64 in anticipation both of higher tariff rates on U.S. goods and the expected impact of the proposed Omnibus Tariff Bill.
- Purchase of a large percentage of '65 requirements during '64 by the major marketing arm of the Philippine Government, the National Marketing Corporation (NAMARCO). This agency purchases a wide range of consumer durables which it retails at subsidized prices to low-income Filipino consumers.

Economy moves ahead

The overall performance of the Philippine economy in 1964 was encouraging as indicated by a more than 5% increase in real terms in the GNP. A brief description of Philippine economic progress during '64 appeared in the April 19 issue of INTERNATIONAL COMMERCE. Prospects for economic growth in '65 appear mixed. In the public sector, economic programming and development expenditures are somewhat subordinated to politics in this Presidential election year. The private sector, less affected by the political campaign, is showing vigorous growth despite the tight credit situation. Labor problems continue to be present.

The Philippine Central Bank is following a relatively tight credit policy to reign in inflationary pressures which may increase as a result of the signing into law of a higher minimum wage scale in April. However, assuming continuing control over inflation, the increased demand for goods generated by higher wages may serve as a spur to the industrial sector.

Payments slightly improved

Following the unsuccessful speculation against the peso in late '64, the Philippine reserve position had strengthened to about $146 million by the end of May. Export earnings continue at high levels, in excess of $700 million annually, despite the shadow of declining trade preferences in the U.S. market. However, imports are increasing at a far faster rate and may exceed exports in 1965. Invisible outflows continue at disturbingly high levels.

While foreign private investments continue to be seriously deterred by the uncertainties of the investment climate, public and private loans are taking up some of the slack. Government financial institutions obtained additional foreign loans totalling $89 million, renewed standby credits for $87.9 million, and initiated negotiations for additional standby credits in a sum of $161.1 million.

U.S. equipment favored

Major U.S. exports to the Philippines which showed the best progress during 1964 over the previous year included machinery and equipment, up $16 million to $138.2 million; wheat, up $3 million to $20.2 million; textile waste materials, up $3.5 million to $8.8 million; chemical elements and compounds, up $1.5 million to $6.4 million; plastic materials, up $800,000 to $4 million; crude and synthetic rubber, up $900,000 to $2.8 million; paper and paperboard, up $3 million to $12.3 million; iron and steel mill products, up $500,000 to $8.6 million; and professional, scientific and photographic instruments, up $300,000 to $4.3 million.

During 1964, U.S. exports of pulp and waste paper, petroleum products, medicines and pharmaceuticals, essential oils and perfume materials, and printed material held up to 1963 levels. However, dairy products, newsprint, textile yarns, fabrics and made-up articles dropped markedly from their 1963 values.

Final Philippine trade statistics for 1964 are not available, but the U.S. share of the Philippine import market was probably around 40%, with Japan, West Germany, and the United Kingdom retaining their position as principal competitors.

U.S. promotion efforts

The U.S. Department of Commerce has been increasingly active in recent months in promoting the expansion of American exports to the Philippines through the following programs:

3 trade missions

- The dispatch of the third U.S. Trade Mission to the Philippines within five years—See INTERNATIONAL COMMERCE, issue of April 19.

Market survey

- The publication of a comprehensive survey of the market for United States products in the Philippines which is available from the Superintendent of Documents.

Sample display

- The installation of a Sample Products Display Service in the American Embassy in Manila through which the search for agencies is expedited.

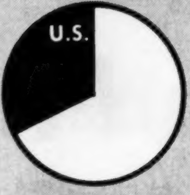
Taiwan

Drop in aid imports from U.S. largely offset by increased commercial purchases

By TADD A. LINSENMAYER
Far Eastern Division, BIC

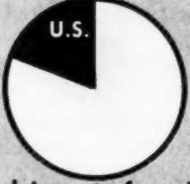
Taiwan's total imports in 1965 may increase to between $450 and $500 million. U.S. sales in this market could surpass all previous records.

Taiwan's foreign exchange reserves have grown substantially in the past two years as a result of sizable export surpluses. In view of this development, the Chinese Government has taken steps to reduce the number of controlled imports and to expedite the processing of import applications. Thus, in 1965, although few opportunities will arise for the sale of "non-essential" consumer goods, continued industrialization will create increased demand for imported machinery, equipment, and raw materials.



Taiwan's Imports, 1964

Total imports	$428 million
From U.S.	$139 million
U.S. share	32%



Taiwan's Exports, 1964

Total exports	$434 million
To U.S.	$84 million
U.S. share	19%

Principal imports from U.S.:
Cotton, metals and products, soybeans, wheat, machinery, transportation, construction, power and communications equipment.

Principal exports to U.S.:
Plywood and lumber, textile fabrics and clothing, sugar and manufactures, canned pineapple and mushrooms.

U.S. suppliers of these goods will, however, face even stiffer competition from other foreign suppliers, particularly Japanese, now that the U.S. economic assistance program to Taiwan has terminated. U.S. suppliers must become much more aggressive if they are to compete successfully in the market. It is anticipated that the opening of two U.S. branch banks in Taipei earlier this year will do much to facilitate increased trade with the United States.

Taiwan's economic future has never looked brighter. Dramatic increases during 1964 in gross national product (10% in real terms), per capita national income (7%), industrial production (20%), and agricultural production (9%) have transformed the anxiety felt by many Chinese business and Government officials over the termination of U.S. aid into a feeling of confidence—confidence that the economy can continue to expand rapidly.

To this end, the Chinese Government has continued its efforts to promote the expansion of established industries and the introduction of new industries. Among the most significant steps taken was the creation of Taiwan's first duty-free export processing zone at Kaohsiung, Taiwan's southern seaport city. Applications from investors to set up factories in the zone will be accepted beginning in July, and plants are expected to be operating by the end of the year.

Imports from U.S. drop

According to Taiwan's customs data, total imports in 1964 jumped by 19% to $429 million, and imports for the first quarter of 1965 were almost 50% higher than in first quarter 1964. At the same time, 1964 imports from the United States fell by $12 million to $139 million, giving the United States 32% of the market compared with 42% in 1963.

This drop, however, is relatively small considering the magnitude of the U.S. aid phase-out. Aid-financed imports from the United States dropped by $31 million or 40% in 1964. This drop was partially offset by a $19 million increase in non-aid financed imports.

Actually, because of differing statistical methods and the usual problem of leads and lags, U.S. Census data for last year indicated a moderate increase in U.S. sales to Taiwan, with the total figure representing a new high. Even more significant, U.S. data for the first quarter of 1965 show a sharp rise of 29% in U.S. exports to Taiwan as compared with the initial quarter of 1964. The $38.9 million total is particularly noteworthy as it was accomplished despite the dock workers' strike which adversely affected shipments to most other foreign areas.

Machinery needed

To counteract the effect of the aid phase-out on U.S. trade with Taiwan, the Department of Commerce sent its first official trade mission to Taiwan in March 1965.

From reports of the mission members and from the more than 500 business proposals which they brought back with them, opportunities for the sale of U.S. goods appear most promising for the following:

Industrial air-conditioning and refrigeration equipment; canning and freezing equipment; textile machinery; metal-working and wood-working tools; small hoists and winches; small powered hand tools; packaging equipment; scientific and quality control equipment; injection molding equipment for plastics; color printing equipment; irrigation piping and pumps; office equipment and supplies; chemical raw materials; agricultural chemicals; small-sized fertilizer spreaders; feed grains; supplements, and additives; and breeding stock for hogs and poultry.

Among the points brought out by the Trade Mission is the fact that the Taiwan businessman is beginning to realize more and more that he needs durable, high quality machinery with low-cost performance if he is to produce goods which will compete in the world's markets. The Taiwan businessman also feels that U.S. machinery and equipment has this desirable quality, but that in some instances either the price is too high or the credit terms too severe.

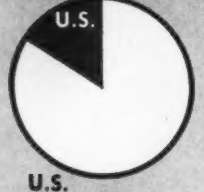
Several of the Mission members pointed out that often if it is not possible to competitively export a product to Taiwan, it may be possible to produce it there, under joint ventures or licensing agreements with local Taiwan businessmen.

To promote such private foreign investment in Taiwan, the Chinese Government early in January revised and expanded its 1960 investment promotion law. Aside from liberal tax benefits, the revised law also contains two rather unusual features favorable to investors. The first provides that whenever there is a question as to which Chinese law applies in a given situation, those provisions most favorable to the investor shall take precedence. The second provides that the Government must try to handle investment cases as expeditiously as possible and make every effort to remove obstacles.

Thailand

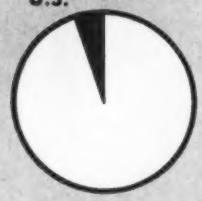
Relaxed trade controls, development plans create receptive import market

By LARRY V. LUTHER
Far Eastern Division, BIC



Thailand's Imports, 1964

Total imports (c.i.f.)	$667 million
From U.S. (c.i.f.)	$109 million
U.S. share	16%



Thailand's Exports, 1964

Total exports (f.o.b.)	$599 million
To U.S.	$ 27 million
U.S. share	5%

Principal imports from U.S.:
Metals and manufactures, electrical and industrial machinery, cotton and cotton manufactures.

Principal exports to U.S.:
Vegetable food products including tapioca and cassava, crude rubber, kapok, lac, teak, jute.

The outlook is excellent for increased American exports to Thailand in 1965, with indications that sales of U.S. products may reach or exceed the record performance of 1963.

This optimistic view is based on the fact that (1) Thailand is showing little let-up in its capacity to import increasing amounts of capital and consumer commodities of all types, particularly those related to the country's development programs; and (2) American firms are alert to new market opportunities as they arise, and are using the U.S. Bangkok Trade Center, official and private trade missions, and other marketing tools to enlarge on their 17% share of the Thai market. A growing recognition by Americans of investment participation in Thailand as a means of selling their equipment and technology portends an even greater share of the market and total export sales over the next several years.

Thailand's Gross National Product, estimated at $3.4 billion in 1964, continues to rise at 6% per year in real terms. Per capita GNP, now estimated at $116, has shown an annual increase of 3%.

Trade trends

Thailand's imports were valued at $660.9 million (c.i.f.) in 1964, a large increase over the 1963 figure of $609.7 million. The U.S. maintained its approximate 17% share of the market; Japan, the leading competitor, increased its share to over 30%.

Major imports during this period included petroleum products; iron and steel; motor vehicles; textiles; mining, construction, and industrial machinery; electrical machinery; dried milk; medicines and pharmaceuticals; and rubber manufactures.

Thai exports were valued at $591.1 million (f.o.b.) in 1964, a sharp rise from the $460.8 million recorded for 1963. Rice, rubber, corn, tin, teak, tapioca flour and meal jute and kenaf remained the major foreign exchange earners.

Recent reductions in Thai tariff rates on capital goods are encouraging Thai businessmen to modernize their equipment and expand production facilities. Conversely, a slight increase in rates on some consumer goods appears to be affecting imports only to a minor degree.

American suppliers sold commodities valued at $83 million in 1964 (U.S. data), a drop from the 1963 record of $96 million, but trade returns so far this year indicate a possible recovery from last year's levels. Although the $10 to $15 million in specialized equipment orders responsible for the record 1963 sales were not repeated in 1964 and may not be repeated in 1965, this should be offset to a large extent by increased Thai purchases of standard U.S. goods and of equipment for new capital ventures.

The following commodities continue to find a receptive market in Thailand: metals and manufactures; electrical machinery, including power generating and distribution equipment; air-conditioning equipment, refrigerators and freezers; industrial machinery, including engines of all types; insecticides; paints and varnishes; scientific and professional instruments, including medical equipment; cotton textile fibers and manufactures; construction, excavating and mining equipment, including power excavators, dredging machinery and pumping equipment; office machines; tractors; and chemical specialties.

Promotion programs

A U.S. Trade and Investment Mission visited Thailand recently. Marketing and investment promotion focused on metalworking, sawmill, woodworking, food processing, refrigeration, agricultural, and packaging and handling equipment. The Mission found a ready interest in American business offers and returned with a number of solid trade and investment proposals.

The Bangkok Trade Center exhibits planned for 1965 are providing U.S. exporters with additional incentive for promoting sales in Thailand. Several exhibits during 1964—particularly those featuring air-conditioning equipment and automotive parts and accessories—exceeded the highest expectations for direct and projected sales and agency agreements for American suppliers. Scheduled shows featuring hotel restaurant, and apartment house equipment; audio-visual and teaching aids; and home products are expected to be equally productive.

New Trade Center slant

A new phase of Trade Center operations began in January with the inauguration of a Sample Display Service. This type of product exhibit, designed to augment the regularly scheduled product theme shows, provides a service by which different categories of products can be displayed at the Trade Center on a product-by-product basis without conforming to a group theme. Dates for product displays are flexible, and need not be programmed far in advance. Each exhibitor may show his products for 30 days, and is accorded all the standard trade promotion services provided by a Trade Center, including assistance in finding a suitable agent for his products.

Several large American investments now under consideration or being implemented will provide market opportunities for American equipment and technical services. Among the larger ones are a $27-34 million kraft paper mill and a large tin smelting plant. Other ventures still in preliminary stages of development include plants for small mechanical machinery, fertilizers, and electrical appliances, and a project for developing an industrial estate.

Starting a possible trend for U.S. firms in the area, one firm recently constructed the first American truck and tractor assembly plant in Thailand.

Near East–South Asia

U.S. exports generally expected to stay on high level of 1964

By STAFF MEMBERS
Near East-South Asia Division, BIC

In the last few years, the countries of the Near East and South Asia area have absorbed about 10% ($2.4 billion) of total U.S. exports.

These have ranged from consumer goods and durables, as well as equipment and services for basic developments in the rapidly growing oil-producing regions, to capital goods and equipment to countries with accelerated industrial programs.

Prospects for additional shipments in 1965 vary from country to country (see following articles) depending mostly on the availability of adequate financing for U.S. sales, except for those with sizeable exchange earnings.

PL 480 surplus agricultural shipments which represent a large percentage of U.S. sales to several of these countries are likely either to maintain their present levels (in India, Pakistan and Turkey) or to decrease substantially (particularly in the U.A.R.).

AID financing is the keystone of U.S. exports to many of these countries supplemented by guarantees, exporters' credits, and project loans from FCIA and the Export-Import Bank, and private investment funds.

No major changes are anticipated in this field and it seems likely that in 1965 U.S. exports to the Near East and South Asia will generally stay on the high plateau reached in 1964.

Need services, know-how

In most of this area formal and informal development plans call for basic projects such as irrigation, land reclamation, power, roads, transport and communications projects, airport, port and town development.

The need for feasibility studies, consultant and construction engineering work is evident. There are a staggering number of such projects, several of which can be financed by local exchange earnings or by international, multilateral (consortia) or bilateral arrangements.

If American firms would pursue these opportunities and are able to cope with negotiating a contract, there is good business not only for engineering services but also for U.S. equipment.

By legislation and policy statements, most of these countries have expressed their desire to have contributions from private foreign investors in the development of their economies—either as foreign investment or more preferably as joint ventures with the local government and/or private industrialists. Proposals range from simple licensing arrangements and modest investment projects to multimillion dollar propositions.

No formula has yet been found for simplifying the process of negotiating investment proposals, and there have been cases entailing months and even years of frustration. The main stumbling blocks in some countries have been latent suspicion of foreigners and the private sector on the part of local officials and the unwillingness of the prospective investor to accept strict government control of his operations. Yet both sides recognize their need of each other and when a proposition has been successfully negotiated, the results have been rewarding for both sides.

Burma has nationalized all channels of imports; the U.A.R. has further emphasized the concentration of imports in the hands of the 14 nationalized companies; and Syria and Iraq are busily matching suit. While these measures create disruptions of existing agencies and normal ways of doing business, they have not seriously affected trade with the United States. In fact, U.S. exports to all these countries (except Syria) have shown marked increases despite the nationalization of import trade.

Negotiations for compensating the American oil distributing companies nationalized by Ceylon and Syria hold promise for an early settlement.

Regional cooperation

Members of the Arab Common Market, which came into operation on January 1, are Iraq, Jordan, Kuwait, Syria, and the U.A.R. The agreement provides basically for the establishment of a free trade area among the member countries by gradual elimination of tariffs over a period of 10 years. Under the Arab Common Market tariffs on all industrial products were lowered 10% on Jan. 1. Duties on agricultural products were lowered 20%.

All agricultural tariffs are scheduled to be eliminated by 1970, while industrial tariffs are to be eliminated by 1975. The actual tariff schedules have not yet been released. It is not anticipated that the Arab Common Market will tangibly affect trade with the United States in the near future.

Concerted U.S. effort

U.S. exports to Saudi Arabia more than doubled in the last four years, from $43 million in 1960 to $89 million in 1964 and should go over $100 million in 1965. This is because of the large scale development program ($300 million this year) financed by increasing oil revenues. Somewhat the same kind of statement can be made about Iraq and to a lesser extent Kuwait. Of others who have disposable free foreign exchange, Israel and Iran are in a comfortable position.

But even in these easy markets and especially in the other countries of the Near East-South Asia area, selling is going to be harder for American firms. The competition is offering adaptable goods, easier terms, and financing. A concerted effort by U.S. firms, their agents, and financing institutions is needed to maintain and expand our role in the market—that of principal supplier.

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India

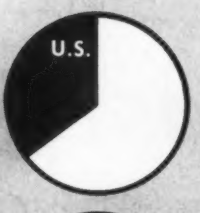
Critical foreign exchange shortage expected to limit import activity despite large demand

By RALPH C. MEIMA
Near East-South Asia Division, BIC

Present indicators point to a leveling off of U.S. shipments to India during 1965 compared to the previous year's upward trend, while total Indian imports may remain below 1964 levels.

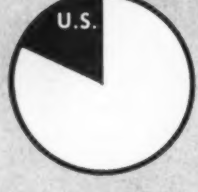
Imports from the U.S. may top $900 million by the close of calendar 1965 if recent trends continue.

Although there is strong demand for a wide range of imported raw materials and manufactured goods, India's continuing critical foreign exchange shortage can be expected to severely limit near-future import activity. However, U.S. traders selling to India will find a variety of opportunities through Agency for International Development and Export-Import Bank financed loans.



India's Imports, 1964

Total imports	$2,485 million
From U.S.	$ 854 million
U.S. share	35%



India's Exports, 1964

Total exports	$1,694 million
To U.S.	$ 309 million
U.S. share	18%

Principal imports from U.S.:
Food grains, machinery, base metals, transport equipment, textile fibers, mineral fuels, lubricants.

Principal exports to U.S.:
Jute products, cashew nuts, cotton textiles, tea, sugar.

Imports hold steady

India's total imports held steady at approximately $2,485 million during 1963 and 1964. According to Indian statistics, imports from the U.S. of $854 million for 1964, gave the U.S. a 34.8% share of India's total import market, up from a 33.7% market share for 1963.

India's reported gross national product for the year ended April 1, 1964, of $39.7 billion (in 1962 prices), was a 3.4% ($1.3 billion) increase above the like 1963 period. India's population grew at the somewhat slower rate of approximately 2.4% during this same time, thus 1964 produced signs of improvement in living standards of the average Indian citizen as well as total growth of the economy.

More improvement is expected during 1965 when total GNP could reach $41 billion (in 1962 prices) if growth continues at rates attained during the past several years.

Though India's 1964 industrial expansion is continuing into 1965, the increasing weakness of her capital market is an indication of business community concern over the high levels of taxation, and increased government involvement in private business activity.

Budget approved

Of major importance to India's midyear business climate, the Government's budget for the fiscal year beginning last April 1 was approved by Parliament on May 11. It held few surprises.

Plans call for a deflationary "tight money" policy with concessions including expansion of the list of "priority" industries (those entitled to special tax benefits); refinements of the "tax credit certificate scheme," to favor export expansion and priority industries; extension of a wealth tax exemption to equity investments purchased from security underwriter's holdings; some easing of penalties applying to those who declare accumulated untaxed savings; and a slight reduction in the capital gains tax payable on dividends paid in the form of stock. A new five year plan will be unveiled when the current fiscal year ends on March 31, 1966.

Prices in India, long under upward pressure from shortages and inflationary forces, now show some signs of levelling off.

By March the index was 6% below the January level. Industrial raw material price rises contributed most to the overall increase.

U.S. leading supplier

Current trends indicate that the U.S. will remain India's major source for imports during 1965, with heavy shipments of foodgrains, industrial and agricultural machinery, metal raw materials and fabricated products, petroleum and refined products, and cotton. About 90% of these shipments will be financed by Export-Import Bank and U.S. AID programs if 1964's experience is repeated.

A variety of new import trade regulations have been established which produce a less than rosy picture for increased near-future imports. In addition to those which affect specific items, a mid-February decision by the Government imposed a 10% ad valorem regulatory import custom duty applicable to all imports except books, family planning accessories, foodgrains, fertilizers, and pesticides.

Under a more recent policy, implemented April 1, there has been suspension until the end of this month of the issuance of import licenses to businessmen against free foreign exchange previously allocated for such purposes except for books, family planning needs, fertilizers, foodgrains, and pesticides.

Allocations suspended

This was followed by the suspension of foreign exchange allocations for Government procurement abroad of items other than the above-listed exceptions, with no time limit specified. AID-financed imports are not affected by either ruling. An import policy statement covering the April 1965-March 1966 period probably will be announced this month.

Official Indian policy calls for increased industrial development, with emphasis on 22 vital product areas in which there are important shortages.

With more than 80% of India's investments in economic development coming from within India itself, strenuous efforts are being made to attract more private investment capital from foreign sources.

Revised investment licensing procedures announced early in 1965 facilitate investment activity in India by foreign firms. The February-March U.S. Investment Mission to India created much new business interest there and in the U.S.

Industrial production in India progressed steadily during 1964, though the rate of growth was lower than that called for under the current Five Year Plan.

Iran

Economy expanding after recession; demand for more imports strong

By FRANCIS M. KINNELLY
Near East-South Asia Division, BIC

U.S. exports to Iran topped $130 million in 1964, the highest in history; 1965 promises to be another record year.

Although some elements of the 1961-63 recession remain, the Iranian economy has now entered a period characterized by increasing inflationary pressures.

Oil revenues in 1964 were exceptionally high due to $223 million in one-time payments by the oil companies. These revenues have permitted increased spending on economic development and a large scale agricultural credit program which has provided small loans for farm improvements and consumer goods.

Iran's Imports, 1964

Total imports	$675 million
From U.S.	$115 million
U.S. share	17%

Iran's Exports, 1964

Total exports	$145 million
To U.S.	$ 19 million
U.S. share	13%

Principal imports from U.S.:
Industrial machinery, motor vehicles, cereals, vegetable oils and fats, agricultural machinery, drugs, rubber products.

Principal exports to U.S.:
Crude petroleum, hides and skins, oriental rugs, animal hair.

Savings and private investment have not kept pace with consumption, however, reflecting some uncertainty and caution on the part of Iranian businessmen. Though inflationary pressures on prices and the balance-of-payments have emerged, these are not yet severe. A good crop year, as is now predicted, will help hold down price increases.

Economy stronger

The gross national product,, estimated at $4 billion or $180 per capita, is growing at a rate of approximately 5%.

Petroleum production during the first quarter did not increase as rapidly as in the corresponding period of 1964. However, large increases in public investment outlays should stimulate new private investment.

Heavy spring rains in normally arid areas have inspired cautious optimism regarding agricultural production this year. A good harvest would ease the strains caused by transfer of land ownership under the current land reform program. It would also permit the government to channel more funds into development projects rather than into agricultural credits.

There are some signs that private investment activity may be responding to the upsurge in consumer demand and the influence of greater industrial and area development activity.

New applications for industrial development loans by Iranian enterprises have been increasing. The value of loans approved by Iran's only development bank, the Industrial and Mining Development Bank, during the fourth quarter of 1964 was the highest for any quarter in the bank's history.

One of the chief problems facing the government this year is the control of price increases. The cost-of-living index rose 7.3% in 1964 as the result of poor harvests, increasing domestic demand, and sizable increases in government-controlled prices of gasoline and kerosine.

These inflationary forces have already increased import demand considerably. In the coming months the government may be forced to place stricter controls on imports.

Iranian figures show imports have been increasing at an exceptionally rapid rate. During 1964 total imports increased 29% to $675 million, while imports for January-March 1965 increased 54% over January-March 1964 imports.

Slight slowdown

Imports from the United States are not quite keeping pace with this trend. In 1964 the United States supplied 17.1% of total imports; the U.S. share of January-March imports dropped to 16.7%.

Strong competition for this increased trade may be expected from West Germany and Great Britain, which with the United States are the major suppliers of Iranian imports.

Japan, which in 1964 supplied 6.5% of Iranian imports, is showing greater interest in this market. On May 9 Japan announced an increase in its proposed export loan to Iran from $10 million to $17 million.

Preliminary Department of Commerce studies indicate that the following product categories offer some of the best opportunities for trade with Iran:

Agricultural machinery, irrigation pumps and equipment, textile machinery, industrial sewing machinery, dyes, pharmaceuticals, veterinary medicines, automobile parts, tire recapping machinery, office equipment, metalworking and fabrication equipment, oil well drilling and related equipment, house appliances, rubber products (other than tires), and food processing and packaging machinery.

Mission scheduled

A U.S. Trade and Investment Mission is scheduled to go to Iran in April 1966. Industries represented on the mission will include food processing and packaging equipment, machine tools and light metalworking machinery, road building and heavy construction machinery, agricultural machinery, and general industrial equipment.

Several major development projects designed to spur the industrialization of Iran are now either underway or in advanced stages of planning. These include an extensive electrification program for Tehran and other important cities, a $100-million petrochemical complex, and an integrated steel mill having a capacity of 600,000 tons.

The Export-Import Bank has taken a more active role in financing Iranian development projects. In November 1964, the United States Government pledged a "package" of financial assistance amounting to $78 million for Iran's electrification program. This package was composed of $68 million from Export-Import Bank sources and $10 million from A.I.D. sources.

Approximately $20 million from the Export-Import Bank has already been allocated for two large generators and ancillary equipment in Tehran.

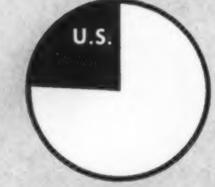
Israel

Income, consumption rise, full employment generate continued economic expansion

By HOWARD M. ZIMMERMAN

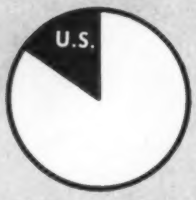
Near East-South Asia Division, BIC

Israel's Imports, 1964



Total imports	$826 million
From U.S.	$203 million
U.S. share	24%

Israel's Exports, 1964



Total exports	$370 million
To U.S.	$ 55 million
U.S. share	15%

Principal imports from U.S.:

Grains and preparations, transportation equipment, industrial machinery, electrical equipment, construction equipment.

Principal exports to U.S.:

Diamonds, textiles (mainly raincoats).

U.S. trade with Israel picked up in 1964 following a slight 1963 decline and is expected to continue its expansionary trends this year.

Sales of U.S. goods to Israel during the current year are anticipated in excess of $210 million.

The Israeli economy in 1964 saw a rapid growth in incomes and consumption and continued full employment of a growing labor force. During the year, gross national product again grew by a remarkable 10% plus, as Israel approaches income levels of the more affluent Western European countries.

Per capita income in 1964 was about $1240. While price levels increased about 4-5% during the year, under the stimulus of full employment, wages increased by about 12%. The favorable trends in economic growth and development are expected to continue during 1965.

While there was considerable concern over the trade gap, which enlarged in 1964 by about 30%, most of the deficit occurred during the first half of the year and was considerably reduced during the remainder of the year.

Share of market declines

The U.S. share of the Israeli market continued to decline during the last six months of 1964, apparently because good local crops reduced the volume of shipment of agricultural surplus commodities. The share of the U.S. in total imports was 27.8% during January-June 1963, 28% during July through December 1963, and dropped then to 25% during the first six months of 1964 and to a low of 23.2% during July through December 1964.

However, this drop in share was in proportion to larger total imports, and in absolute terms, U.S. exports to Israel rose, despite the loss in surplus feed grain sales against local currency.

In 1964, U.S. exports to Israel totaled $203 million, or almost 10% above the $185 million of 1963.

Best bets

The following categories of products appear to present the best current opportunities for U.S. suppliers:

Automobile repair and workshop equipment; "do-it-yourself" home maintenance and hobby craft; hand-powered tools; light machine tools; metalworking equipment; plant maintenance equipment; hotel, restaurant, and apartment house equipment; industrial waste and water pollution treatment equipment; food processing, freezing and packaging equipment; and commercial laundry and dry cleaning equipment.

Government foreign trade policy continues to gradually expose additional branches of industry to foreign competition. Often this liberalization is more nominal than real since import tax rates are imposed at levels which heavily discourage imports.

Cotton yarns and fabrics have recently been added to the liberalized list but issue of import licenses was delayed, awaiting agreement on import tax rates with the local industry. On the other hand, taxes were raised on automobiles and television sets, after the import value of these items had reached a sizable level.

Retail demand strong

Domestic retail demand continued strong and rising throughout 1964. It was fed by higher per capita incomes and by large receipts to individuals from abroad. The booming automobile import business was slowed considerably from August when large increases in already very high automobile import and purchase taxes had their intended effect. The tax level now makes the retail price of new imported cars more than triple its landed cost in Haifa.

Sales may recover to close to previous levels after the shock wears off but the effect on U.S. imports may still be great, since they are now tremendously expensive ($8,500 for a compact), while European middle-sized automobiles at around $6,000 are in the financial capabilities of more buyers. So far, the domestic industry and its dealers have benefited.

The general upgrading of the standard of living continues and demand for big household appliances is very strong. Demand for large units rose by almost one-fourth during 1964.

There is also a general desire for other luxury appliances, such as televisions, automatic washing machines, vacuum cleaners, mixers, and dishwashers, and only import restrictions and high tariffs (partly designed to protect local industry with high unit costs and partly designed to hold down imports) prevent a highly active import market in appliances.

Super-market idea gains

The super-market concept continues to gain ground and is beginning to challenge Israel's numerous small retail food outlets. Department stores are also coming to Israel, with stores enlarging their range of merchandise. The first three floors of Tel Aviv's 32-story Shalom Tower are to be occupied by a U.S.-type department store.

According to provisional estimates, gross investment during 1964 totaled almost $900 million or 30% of the GNP, compared with about $750 million or 28% of the GNP in 1963.

The increase was caused mainly by large scale investments in ships, road and port construction, while industrial investments remained almost unchanged, and outlay for agriculture and irrigation was lower.

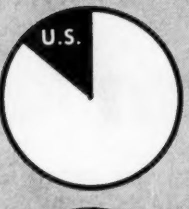
The share of foreign participation in total investments was estimated to have been 16.6% compared with 19% in 1963. Foreign investment (including reinvestment) reached $150 million in 1964.

Lebanon

Business confidence in expanding economy aids bright forecast for stepped-up U.S. sales

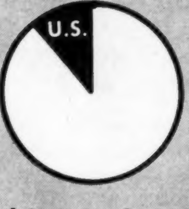
By HOWARD M. ZIMMERMAN

Near East-South Asia Division, BIC



Lebanon's Imports, 1964

Total imports	$413 million (est.)
From U.S.	$ 57 million
U.S. share	14%



Lebanon's Exports, 1964

Total exports	$ 72 million (est.)
To U.S.	$ 8 million
U.S. share	11%

Principal imports from U.S.:
Transportation equipment, consumer goods, chemicals and pharmaceuticals, foodstuffs.

Principal exports to U.S.:
Carpet wool, tobacco.

The outlook is bright for increased U.S. sales to Lebanon in 1965. The level of U.S. exports to Lebanon over the last five-year period has increased some 30%, rising from $44.3 million in 1960 to over $57 million in 1964. This trend is expected to continue during the current year with anticipated sales over $65 million.

The opening months of 1965 gave indications that Lebanon's economy would continue to expand. Customs receipts were up and freight unloaded during the first quarter of this year jumped over 7% from the first quarter of 1964.

Work in the public sector on development projects also picked up during the quarter. Expenditures on public works projects is expected to be about $100 million over the next 10 years.

The Lebanese business pulse feels strong at mid-year 1965. Business confidence remains at a relatively high level in spite of some slowdowns and difficulties in certain sectors of the economy. While the construction industry is operating at a somewhat restrained momentum and reductions have occurred in some fruit exports, the U.S. continues to expand its sales in a growing import market.

U.S. sales up

The absence of up-to-date trade statistics dims the composition of Lebanon's import picture during 1964. U.S. statistics, however, reveal a 12% increase in the sale of U.S. products in Lebanon during 1964 over the preceding year.

Sales in 1964 totaled $57.1 million as compared with $51.2 million in 1963. The U.S. automobile industry has captured 40% (by value) of the Lebanese automotive market and quarterly automotive sales in early 1965 were up 26.4% over the first quarter 1964. Prospects are also good for U.S. aircraft manufacturers; all three scheduled Lebanese airlines show operating profits and are in the market for new jets. A steady rise in air traffic to and through Beirut's International Airport will require the construction of a new aerodrome, to accommodate the coming new jet types.

Lebanon has traditionally practiced a laissez-faire trade policy with few foreign exchange restrictions and moderate import tariffs. While competition is keen, particularly in terms of price, the demand for imports is not expected to slacken during the current year.

Local merchants dealing in U.S. goods reportedly forecast a heavy selling season in 1965 with at least a 15% jump in sales of U.S. products over 1964. While the U.S. dock strike had a dampening effect on U.S. shipments during the opening weeks of the year, this optimistic forecast is expected to find its fulfillment before the new year rolls in.

Competitive challenge met

There were clear indications in 1964 that U.S. manufacturers were meeting the competitive challenge presented by the Lebanese market. For example, sales of U.S.-made refrigerators reportedly totaled 19,000 during the past year making Lebanon the number one market for U.S. refrigerators.

A good market also should be found for industrial and electrical machinery, automobiles, trucks and busses, air conditioning equipment, household refrigerators, wheat and wheat flour, medicinals, pharmaceuticals, paints and varnishes, and all types of consumer goods.

A seven-man U.S. Trade Mission visited Lebanon from May 6-14, following visits to Iraq and Kuwait. During the visit the Mission made official calls on Lebanese Government officials, visited local industrial plants, interviewed Lebanese businessmen and exchanged trade and investment opportunities as well as other business proposals.

Sample display success

The Department of Commerce's new Sample Display Center at the U.S. Embassy in Beirut finished 6 months of operation with high marks for performance and effective display of a wide variety of U.S. goods. The Display Center, which specializes in exhibiting U.S. products and boasts of an effective distributor-finding service, is making a substantial contribution in bringing agents to U.S. merchandise.

Arrangements for exhibiting products at the Sample Display Center may be made by contacting the local Department of Commerce Field Office or the Commercial Exhibits Division, Bureau of International Commerce, Department of Commerce, Washington, D.C. 20230.

Anticipated projects

The Lebanese budget for the year ending Dec. 31, provides for $43 million for capital expenditures and $18.8 million for long-term development projects. Public works had practically come to a standstill pending the budget vote, but a few weeks after the passage of the budget, ordinary public works such as building of secondary roads were resumed.

Other projects affected by the budget include the extension of electric power and water systems and maintenance of international highways.

In addition, the development program anticipates work on the Beirut-Tripoli highway, internal roads, drinking water, irrigation, and electric power projects, and the Tripoli International Fair. This latter project is scheduled to open in the spring of 1967.

The official rate of exchange was raised, effective last Jan. 1, to one U.S. dollar equals 3.08 Lebanese pounds. The previous official rate was one U.S. dollar equals 2.20 Lebanese pounds. At the same time, however, the Customs Administration reduced customs tariffs proportionately in order to prevent an increase in duties.

Pakistan

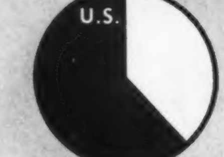
Broad trade prospects appear promising as imports from U.S. continue to grow

By LARRY A. NIKSCH
Near East-South Asia Division, BIC

The overall level of trade between the U.S. and Pakistan should continue to rise during the remainder of 1965, particularly because of Pakistan's growing imports from the U.S.

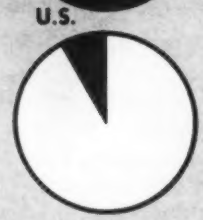
Imports from the U.S. may reach somewhere between $425 million and $450 million in 1965, as against $415 million in 1964. Pakistan's exports to this country should remain near their present level of approximately $40 million.

The expected increase in U.S. sales to Pakistan is based upon the probability that the momentum generated by the sharp upsurge in Pakistan's imports over the last two years will continue.



Pakistan's Imports, 1964

Total imports	$997 million
From U.S.	$415 million
U.S. share	42%



Pakistan's Exports, 1964 (excluding June)

Total exports	$393 million
To U.S.	$ 32 million
U.S. share	8%

Principal imports from U.S.:

Wheat, iron and steel, machinery (except electrical), vehicles, animal and vegetable oils, electrical machinery.

Principal exports to U.S.:

Jute manufactures, raw jute, raw wool, cotton fabrics, shellfish, gums and resins.

Total imports have risen from $739 million in 1962 to $997 million in 1964. It should be noted that approximately 85-90% of all U.S. exports to Pakistan are either Public Law 480 food shipments or commodities financed by the U.S. assistance program to Pakistan.

Economic upswing

The increases in Pakistani imports were stimulated by the economic upswing beginning in 1963 and the government's initiation of a major import liberalization program.

The impressive performance of Pakistan's economy is indicated by that country's gross national product for fiscal year 1964 (July 1963-June 1964). The U.S. Agency for International Development has estimated that figure to be $9.45 billion at current prices, which amounted to an increase of approximately 7% over the GNP for the previous fiscal year.

The rapid growth of Pakistan's economy has generated a mood of confidence and optimism within the ranks of Pakistan's private sector. Total private investment during the Second Five Year Plan will be above $942 million as against the Plan target of $769 million; and the rate of new investment is increasing.

Trade competition increases

Despite the increase in imports from the U.S. in 1964, the U.S. share of Pakistan's import market declined from 43.4% in 1963 to 41.6% in 1964.

The major reason for this was the significant expansion in imports from the European Common Market countries and Japan.

U.S. exporters can expect stiff competition from these quarters during and beyond 1965 with respect to those imports financed by Pakistan's free foreign exchange.

The Government plans to import $4.21 billion of commodities under its free exchange during the Third Five Year Plan.

At the present time U.S. exporters are getting very little of the business financed by Pakistan's free exchange, which is indicated by the high percentage of exports financed under the U.S. assistance program to Pakistan.

Price is key

Price is often the key factor in situations where American and other foreign firms are competing for Pakistani business. Pakistanis tend to be very price conscious and often place such considerations ahead of considerations of quality and servicing. U.S. firms will have to be imaginative in pointing up to potential buyers the advantages of their products as against those of other countries and more aggressive in locating export opportunities and in securing orders ahead of foreign competitors.

Pakistan's expanding economy and import liberalization program have opened up new opportunities for U.S. exporters of a variety of commodities. Pakistan is currently the leading overseas buyer of steel from the U.S., and the market is expected to remain strong.

The already substantial demand for American industrial machinery may increase as the Third Five Year Plan unfolds after July 1965; for the Plan projects a significant growth in the output of capital goods and the establishment of several new large scale industries including steel, petrochemicals, heavy machinery, and machine tools.

Other products for which there is a growing demand include transport equipment, electrical goods and apparatus; industrial chemicals, fertilizers; paints and varnishes; non-ferrous metals; cement; scientific, medical and measuring instruments; hand tools; rubber manufactures; fabricated building materials; wire products; and nails, screws, nuts, bolts, rivets, and similar articles of iron, steel, or copper.

In recent months, the Government has reiterated its intention to continue the policy of actively seeking foreign private investors and has followed this up by setting a target of $147 million of new foreign private investment during the course of the Third Five Year Plan. In line with this policy, the Government has announced that it will establish an Investment Promotion Center in New York to service inquiries from the U.S. and attract new investors.

Incentives adopted

Over the past several years, the Government has adopted a number of incentives to attract foreign investors.

In addition, the U.S. and Pakistan have entered into a Treaty of Friendship and Commerce, a Double Taxation Agreement, and an Investment Guarantee Agreement which covers U.S. firms with facilities in Pakistan.

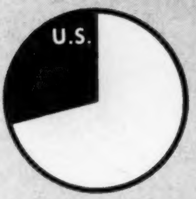
U.S. companies have been very active on the investment front during the past year. Several American firms have either entered into investment agreements or are presently negotiating agreements with the government; several firms with existing investments have announced their intentions to expand their existing operations.

Turkey

Total imports expected to be higher than last year; debt burden reduced

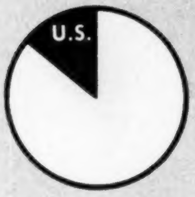
By DONALD R. TRAFTON

Near East-South Asia Division, BIC



Turkey's Imports, 1964

Total imports	$538 million
From U.S.	$156 million
U.S. share	29%



Turkey's Exports, 1964

Total exports	$411 million
To U.S.	$ 58 million
U.S. share	14%

Principal imports from U.S.:

Machinery (non-electric), oils and fats (animal and vegetable), transport equipment, iron and steel and products.

Principal exports to U.S.:

Tobacco (unmanufactured), nuts (edible), skins (sheep and lamb).

Turkey's total imports are expected to increase this year over the depressed level of 1964. The United States, which captured 29% of Turkey's import market in 1964, is expected to retain and even better its position as Turkey's leading supplier this year, with anticipated sales of over $170 million.

Several events have occurred during the past six months to brighten Turkey's economic outlook. The Organization for Economic Cooperation and Development (OECD) Consortium for Aid to Turkey successfully concluded its efforts to reschedule and refinance about $100 million of Turkey's debt due in 1965, thereby reducing the country's debt burden for this year to a reasonable $85 million. Foreign debt payments falling due in 1966 and 1967 were also reduced. In addition to this debt assistance, over $100 million in new contributions has been pledged by Consortium members to help finance Turkey's needed imports. There are indications that additional assistance in the form of project loans should be forthcoming during the year. To increase the inflow of funds for project financing, the Turkish Government has stepped-up its preparation of project studies.

Dam spotlighted

One such project currently receiving much attention is the Keban Dam which is to be built on the Euphrates River. Construction of the water diversion tunnels has already started on this $350 million project and bids on the dam will be let in August. Initial electric generating capacity will be 620,000 kw. with provision for a future capacity of twice that amount.

On May 15, Turkey's largest private enterprise, the Eregli Iron and Steel Mill, was formally dedicated. Initial annual output of the plant, which entered full production in March, will be 378,000 metric tons. Production includes much needed items such as sheets, plates, and tin plate. A substantial contribution to the domestic economy can be expected from this mill.

In February, Premier Inonu's Cabinet fell when its annual budget was defeated. A new four-party coalition cabinet was formed with Mr. Urguplu as Premier. The coalition will serve until October when general elections are scheduled to be held. Recent public statements by Cabinet Members have indicated that the coalition government believes the public sector of the economy has been overemphasized and that a larger share of the overall effort needs to be devoted to the private sector. Since the change in Government, business has been characterized by a growing optimism.

'65 GNP looks better

After getting off to a flying start in 1963, when the GNP increased by 7.5% economic growth in 1964, the second year of Turkey's first five-year economic development plan was disappointingly short of the planned target of 7%. Provisional figures indicate that GNP rose by only 4.3% to a level of $6.5 billion in constant (1961) prices ($7.4 billion in 1964 prices).

It is estimated that although it may not reach its target of 7%, GNP will hopefully increase by about 6% in 1965, a substantial improvement over 1964's performance.

Trade trends

From a Turkish balance-of-payments standpoint, foreign trade took a sharp turn for the better in 1964. Exports spurted to a record annual high of $411 million, up 11.7% over 1963. Imports, however, declined from a record $691 million in 1963 to $538 million last year, a drop of 22%. As a result, Turkey's trade deficit was only $127 million, a 58% drop from the previous year's deficit of $320 million.

Imports from the United States amounted to $156 million in 1964, a 26% decrease from the 1963 record of $212 million. Turkish exports to the United States also followed the general pattern of Turkish trade in 1964 as they increased by 15% to $58 million.

With the exception of the expected transfer of some items from the quota list to the liberalized lists, Turkey's 15th import program, to be issued early in July and valid for six months, is not expected to contain any major changes from the current (14th) program. It appears, therefore, that the only items that will be imported in quantity are raw materials and investment goods not available domestically. Machinery, petroleum products, transport equipment, chemicals and chemical products such as fertilizers are items likely to be bought from the United States during the next six months.

Imports down

Preliminary first quarter trade figures for this year show Turkish imports decreasing slightly ($137 million compared to $148 million for the same period of 1964). Imports from the United States during this period bucked the trend, however, by increasing from $38.5 million to $42.7 million, enabling the United States to capture 31% of the Turkish import market for the first three months of 1965. For the first quarter of 1964, the U.S. share of the market was 5% less.

A continued reduction in imports would auger well for Turkey's external payments situation, but economic development of the country will likely be hindered unless imports rise again this year, since many of the necessities of development have to be imported.

Izmir fair

The United States will again participate in the annual Izmir International Trade Fair Aug. 20-Sept. 20. Out of the $10 million set aside for fair imports, U.S. products were allocated $775,000.

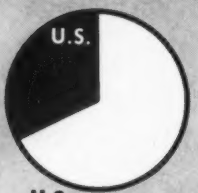
United Arab Republic

Trade picture clouded by halt in U.S. surplus shipments, balance of payments difficulties

By FRANCIS M. KINNELLY
Near East-South Asia Division, BIC

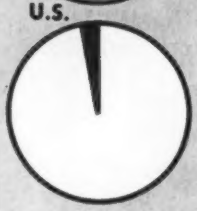
Severe balance-of-payments difficulties and strict foreign exchange controls limit the sales prospects for U.S. goods in the United Arab Republic during the remainder of 1965.

The stoppage of shipments of surplus agricultural commodities to the U.A.R. under the Public Law 480 program further clouds the outlook for trade.



U.A.R.'s Imports, Jan.-Nov., 1964

Total imports	$781 million
From U.S.	$247 million
U.S. share	32%



U.A.R.'s Exports, Jan.-Nov., 1964

Total exports	$462 million
To U.S.	$ 16 million
U.S. share	3%

Principal imports from U.S.:
Wheat flour, wheat, corn, industrial machinery, vegetable oils and fats, tobacco, chemicals.

Principal exports to U.S.:
Raw cotton, crude petroleum, cotton textiles.

Strong demand pressures brought about an increase in total imports during 1964 despite stricter controls imposed last April. This high level of imports, together with a heavy burden of debt servicing, has prevented an improvement in the U.A.R.'s balance-of-payments position.

Suppliers are often required to provide financing for their exports because the Government does not have the necessary foreign exchange to purchase them. If the U.A.R. is forced to use its scarce foreign exchange and credit facilities for purchase of agricultural commodities on the market, the volume of other imports will be cut.

Oil generates optimism

Egyptian officials are highly optimistic about the growth of oil production in coming years. This optimism is based in part on a major strike last February made by the Pan American (UAR) Petroleum Co. in its Gulf of Suez concession area.

Production, which will start in 1967, will be at a minimum of 50,000 barrels a day. Intensive exploration is taking place in both the Gulf of Suez and the Western Desert, and hopes are high that more strikes will soon be made.

Spurred on by the Government's active industrialization program, gross national product nevertheless has continued to increase at a rate of 5.5 to 6%; for the fiscal year ending June 1964, it amounted to $4.29 million. Maintenance of the current rate of growth depends on whether the U.A.R. can overcome its balance-of-payments difficulties sufficiently to import the minimum required level of industrial goods.

A large number of factory managers and merchants are discouraged by their inability to obtain sufficient imports to permit optimum output or turnover. They have also faced many difficulties in trying to operate efficiently and at the same time comply with the many controls required by the state economy. Some industries have made remarkable progress.

Financing is important

The competitive position of U.S. firms in this market depends in large part on their ability to offer extended payment terms or to locate for the U.A.R. other sources of financing for their products.

Alternatively, a number of Western companies have been requested to enter into barter arrangements. Firms which can provide essential raw materials and spare parts for current production or other high priority equipment may be able to avoid these requirements.

U.A.R. trade statistics show that total imports during 1964 remained at about the same level as in 1963, when they totaled $916.2 million. The U.S. share of this trade for January-November 1964 rose to 31.7% from 27.3% in 1963.

About two-thirds of U.S. exports in 1964 were either under the Public Law 480 program or financed by the Agency for International Development. U.A.R. exports declined slightly in 1964, from $521.6 million to an estimated $503 million. U.S. purchases fell from 4.3% to approximately 3.6% of Egyptian exports.

Shortly after several anti-American incidents occurred in the U.A.R., including destruction of the John F. Kennedy Library in Cairo, Congress passed a supplemental appropriations act which has halted sales of surplus foodstuffs to the U.A.R. which would be paid for in local currency.

Agricultural commodities worth approximately $37 million remain to be shipped under a 1962 agreement with the U.A.R., but these commodities can now be shipped only in the event the President determines that financing them is in the national interest. In addition, no sales agreements for future shipments of surplus commodities have been concluded with the U.A.R.

The U.A.R. has relied heavily on U.S. agricultural commodities, most of which have been shipped under this program. In 1964, all of the U.A.R.'s imports of wheat came from the U.S. A continued halt will drastically alter U.A.R. trading patterns and will further worsen its balance-of-payments position. The future level of U.S. trade with the U.A.R. is therefore quite uncertain.

Opportunities worth exploring

The best opportunities for export sales include equipment for petroleum exploration and production, textile and other industrial machinery, telecommunications equipment, lubricating oils and other petroleum products, and agricultural machinery. There is considerable demand for technical and engineering services in industries and development projects.

The U.A.R.'s second development plan goes into effect in July. It will be a seven-year plan, running until 1972, concentrating on heavy industry and major agricultural and power projects. From a total planned investment of about $6.5 billion, industry will receive $1.9 billion, transport and communications, $1.4 billion, and agriculture $1.3 billion. The success of the plan depends on whether the U.A.R. can find sources of finance for the foreign exchange costs which the projects will entail.

Good customers in Africa

Loosening trade restrictions, development programs cause cheery outlook

By JOHN HOKANSON
Africa Division, BIC

United States trade with Africa in 1965 is expected to continue at approximately the same high levels achieved in 1964, when all-time highs were set for both exports and imports. Moreover, if rapid economic progress in certain key African countries like South Africa, Nigeria, Libya, Zambia, and Ivory Coast continues, chances are good that the 1964 records may even be exceeded.

American exports to Africa amounted to $951 million in 1964, some 22% above the '63 level, according to U.S. Census statistics. During the same period, U.S. imports from Africa climbed from $758 million to $901 million, an increase of 19%. The rate of increase in U.S. trade with the continent exceeded the growth rate for total U.S. trade with the world by a significant margin. U.S. exports to Africa accounted for 4% of all U.S. exports while imports from Africa made up 5% of the U.S. total.

The growth of U.S. trade with Africa in 1964 generally followed the pattern of growth of Africa's total trade with the world. During the third quarter of '64, according to International Monetary Fund data, Africa's exports to the world running at an annual rate of approximately $7.8 billion, which was 11% greater than during the '63 period. At the same time African imports were at a yearly rate of nearly $8.8 billion, some 16% higher than a year earlier.

Factors creating demand

The outlook for high and perhaps increasing U.S. trade this year hinges on the continuation of the factors which brought about the growth in 1964. The import demand generated within the South African economy, the needs of the rapidly expanding petroleum industries in Libya and Nigeria, and development programs (including both government projects and private investment) in other countries appear to be the major reasons for the increase. Additional factors include the loosening of trade restrictions in countries such as Tunisia, the Ivory Coast and Sierra Leone. These liberalization moves, which came at mid year, will affect trade in 1965 and later years to a much greater extent than in 1964.

American export gains were not evenly distributed throughout Africa. The major gains were centered in the Southern and Western portions of the continent as illustrated in the accompanying table. Exports to North Africa barely held their own with levels of the previous year as increases in Libya were offset by significant declines in goods shipped to Morocco. Countries where U.S. exports made major gains were Nigeria, South Africa, Libya and in the countries which formerly made up British East Africa. Significant increases were also recorded in sales to Algeria, Ghana, and Tunisia.

Nigerian imports up

The dramatic rise in U.S. exports to Nigeria reflects strong demand for equipment used by petroleum companies and construction materials for the Niger Dam. Equipment is needed for the growing number of American investments in that country, while large quantities of foodstuffs and other consumers' goods are in demand. With petroleum development accelerating, work getting seriously underway on a wide variety of foreign-aided governmental development projects, and renewed interest by private foreign investors in Nigeria, the prospects are excellent for a continued high level of exports to that country.

South Africa's drive for economic self-sufficiency has opened up major market opportunities for a wide range of American manufacturers of capital goods, transportation equipment of all kinds, and for increasing amounts of consumer items. The economic expansion in South Africa

U.S. trade with Africa climbs

(excluding UAR)

(In Millions of U.S. Dollars)

Area and Country	Exports[1]			Imports		
	1963	1964	% Incr.	1963	1964	% Incr.
Africa Total	782	951	+22	758	901	+ 19
North Africa[2]	202	212	+ 5	69	101	+ 46
Algeria	45	53	+18	1	5	+400
Ethiopia	12	13	+ 8	35	53	+ 51
Libya	45	59	+31	16	29	+ 81
Morocco	56	37	−34	7	6	− 14
Western and Equatorial Africa[2]	179	221	+23	250	344	+ 38
Ghana	21	25	+19	51	74	+ 45
Liberia	36	35	− 3	32	48	+ 50
Ivory Coast	N.A.	19	—	N.A.	64	—
Nigeria	37	64	+73	41	35	− 15
Central and Southern Africa[2]	402	517	+29	439	456	+ 4
Uganda[3]	16	2	+44	66	47	+ 29
Kenya[3]		14			24	
Tanzania[3] [4]		7			14	
Congo (Leopoldville)	78	66	−15	54	45	− 17
South Africa[5]	278	393	+41	259	250	− 3

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[1] Excluding special category exports.

[2] Includes countries not shown separately.

[3] British East Africa and Tanganyika prior to 1964.

[4] Tanganyika and Zanzibar prior to 1964.

[5] Includes Republic of South Africa, Southwest Africa, and British High Commission Territories of Bechuanaland, Basutoland and Swaziland.

is expected to continue through 1965. There are indications that U.S. exports to South Africa may exceed $400 million this year.

Throughout Africa there are numerous development projects either underway or being considered which should provide thrust for the economies of the nations involved over the next few years. Included in this area are construction projects such as dams in Ethiopia, Liberia, and Somalia; roadbuilding in nearly all countries; railroad construction in the Cameroons and consideration of a rail link between Zambia and Tanzania; establishment of an industrial complex at Bizerte, Tunisia and port construction or modernization at a number of locations.

U.S. private direct investment in Africa, composition and growth[1]

(Value in Millions of Dollars)

Type of Activity	1950		1962		1963		Percentage Overall Growth 1950-62	Average Annual Growth 1950-62	Percentage Growth 1962-63
	Value	Percent Africa Total	Value	Percent Africa Total	Value	Percent Africa Total			
Mining and Smelting	64	26	307	25	351	25	380	32	14
Petroleum	98	39	627	50	701	49	440	37	11
Manufacturing	47	19	141	11	176	12	200	17	25
Trade	21	8	69	6	81	6	229	19	17
Other	19	8	102	8	114	8	437	36	12
TOTAL, Africa	248	100	1,246	100	1,423	100	402	34	14

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[1] Excluding U.A.R.

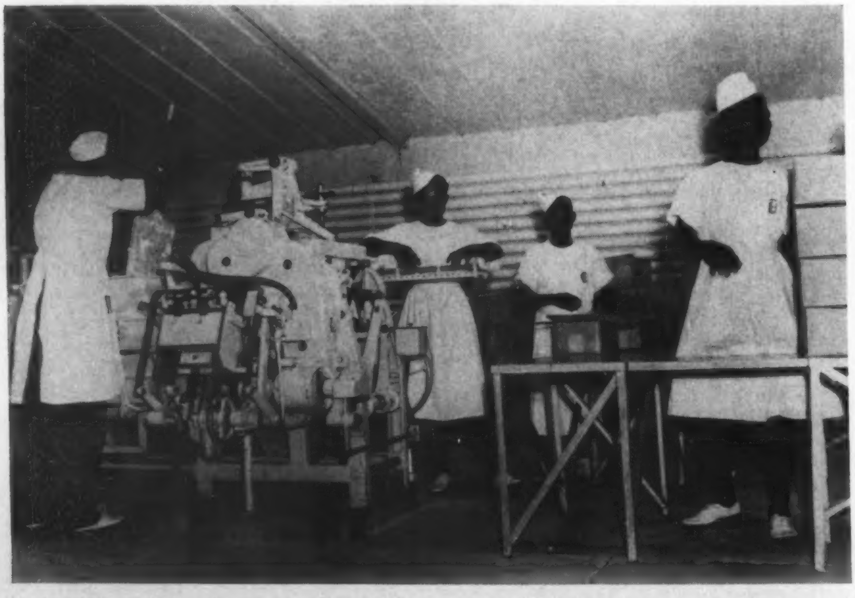
Mines support economy

In an over-all sense, the prospects for African countries whose economies depend in part on mineral production appear better in the near term than the outlooks for those tied mainly to agriculture. Besides the increased oil production mentioned earlier in connection with Libya and Nigeria, iron ore production in Gabon, Liberia, and Mauritania has grown significantly. Copper producers—mainly the Congo, Zambia and Uganda—have benefited from relatively high prices for this important mineral.

Farm prices hurting

African agricultural commodities, with some important exceptions, are presently facing depressed markets. Cocoa prices dropped to their lowest point in some 20 years early in 1965 and coffee prices have been falling. The collapse of the cocoa market has had major adverse effects on West Africa, particularly Ghana and Nigeria, which together produce about half the world's cocoa. About 60 percent of Ghana's export earnings come from cocoa sales. Also affected are Ivory Coast, Togo, and Dahomey. Countries which stand to be injured by lower coffee prices include Ivory Coast, Ethiopia, and Uganda. On the brighter side, natural rubber prices seem firmer than in the recent experience of local producers.

African nations are greatly concerned about the unfavorable developments in world prices for primary products. This is reflected in criticism of the industrial nations for failing to devise or support measures to stabilize prices and in efforts by countries, notably Nigeria, East Africa and Morocco, to become associated with the European Economic Community and gain preferred access to that market for their products.



MARGARINE PLANT in the Congo at Leopoldville is typical of American investments in Africa and of effort underway to both increase exports and to satisfy growing demands for local food products.

Investment climate good

The investment climate in Africa appears to be good with some few exceptions. Many African leaders seem to be showing increased awareness that private foreign investment is a useful source of development capital and are welcoming it. The relatively small size of many African markets and administrative problems continue to inhibit investment to some degree. However, incentives such as tax relief, customs drawbacks, joint venture possibilities, domestic market protection and investment guaranty agreements with the United States continue to be widely available among African countries and enhance the possibilities for profitable investment.

U.S. investment

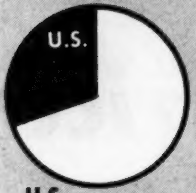
American investment, although still small compared to that of Western European nations, has grown rapidly over the past 15 years as illustrated in the accompanying table. While U.S. capital has centered in extractive industries—mining and petroleum—there has been significant growth in investment in manufacturing, trade, and agriculture.

Congo

Trade prospects improve; major factors—high level of exports, U.S. AID program

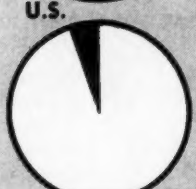
By THOMAS J. ROESCH

Africa Division, BIC



Congo's Imports, 1964

Total imports	$214 million (est.)
From U.S.	$ 64 million (est.)
U.S. share	30% (est.)



Congo's Exports, 1964

Total exports	$367 million
To U.S.	$ 18 million (est.)
U.S. share	5% (est.)

Principal imports from U.S.:
Cotton fabrics, chemicals, flour, machinery, petroleum products, transportation equipment.

Principal exports to U.S.:
Copper, diamonds, coffee, palm products, rubber, timber, tin, zinc.

The outlook for U.S. trade and investment in the Republic of the Congo for the remainder of 1965 is good.

The stabilization program, which began in late 1963, has shown favorable results in spite of internal troubles which have caused a pause in the rapid growth of the Congolese economy. Major factors contributing to the favorable prospects are a continuing high level of exports and the strong U.S. aid program.

Trade, which began to rise in 1964, is tending to level off in 1965. Exports in 1964 totaled $367 million, as compared with $307 million in 1963. Imports rose from $193 million in 1963 to an estimated $214 million in 1964. Because certain major agricultural exports have experienced cutbacks, it is believed total exports will not significantly increase in 1965 but will maintain their current level.

Primarily because of the American aid program, the United States has become an important trading partner with the Congo. In 1963, the United States supplied 31% of all Congolese imports, surpassing even Belgium, the Congo's traditional market and source of supply. In 1964, the United States supplied an estimated 30% of Congolese imports.

U.S. share increases

Perhaps more important in the long run, however, is the rising U.S. share of Congolese imports lying outside the U.S. aid-financed trade. Amounting to only $9.3 million in 1963, or 9% of commercial imports, the figures appear to have increased slightly last year and it is believed the moderate upward trend will continue through 1965.

Because of the dock strike early this year, U.S. exports to the Congo dropped in the first quarter to $8.2 million from $10.7 million for the same period in 1964. The composition of these exports remained basically the same: cotton fabrics, chemicals, machinery, petroleum products, transportation equipment and cotton.

U.S. imports from the Congo fell to $8.2 million for the first quarter of 1965 from $11.7 million for the same period in 1964, and consisted primarily of copper, diamonds, palm products, rubber, tin and zinc.

The aid program continues to play an important role in the pattern of trade for the Congo. About half of U.S. aid is made available under Title I of PL-480, which provides for sales of agricultural commodities, consisting mainly of surplus foodstuffs, on a commercial basis to Congolese importers for local currency. Counterpart funds valued at $20 million a year have been accumulating under this program and will be used in large part to assist the Congo with a development program still to be worked out.

An AID-financed industrial commodity program, accounting for the balance of U.S. aid to the Congo, allocates dollars to Congolese importers for the purchase from the United States of materials for Congolese industries, transport equipment, replacement parts for machinery, chemicals, and pharmaceuticals.

The program, designed to make it possible for major producers to import those materials necessary to increase productivity, has been running at an annual rate of $20 million. American exporters will find that the AID-financed industrial commodity program operates under an "open license" system which relieves the exporter of the burdens of import licensing and foreign exchange controls on individual transactions.

Mineral output expands

The favorable picture of Congolese exports is pegged to the Congo's wealth in minerals. Copper production rose from 269,924 metric tons in 1963 to 275,000 tons in 1964. Cobalt increased from 7,376 tons in 1963 to 7,700 tons in 1964. These production levels have been maintained in 1965.

Production of certain agricultural crops for export suffered temporary declines in 1964. The Congo's cotton crop, which normally not only supplies the domestic textile industries but also is exported for foreign exchange, has dropped over the last two years from a high of 52,000 tons to less than 20,000 tons in 1964. As a result the Congo has had to import U.S. cotton under Title I of PL-480 to keep the domestic plants from closing. American shipments this year, to total $4 million, will assure the textile factories about a six-month supply of raw material. The lengthy period necessary to restore normal crop performance weakens the outlook for next year's crop.

Prospects for the next coffee crop are also reported to be poor.

Financial issues settled

A major development in the past six months was the settlement of various financial issues between the Congolese and the Belgian Governments, including the fight for control over a portfolio of share holdings in various Congolese concerns, among which was the Union Miniere du Haut Katanga. According to an agreement reached in February, the Congo Government was recognized as the owner of the portfolio and given all rights related to its possession. The settlement will strengthen significantly the financial stability of the Government of the Congo.

Long run prospects for the Congo are good. It is not only well endowed with mineral resources, agricultural production, and water systems for transportation and hydroelectric power, but it also has a budding supply of its own technicians and administrators and a relatively advanced infrastructure. The dominant trade position now held by the United States can be used as a solid base for future penetration in the private commercial sector.

East Africa

Kenya, Uganda and Tanzania notable for rising import levels, dollar surpluses

By BARBARA HUDDLESTON
Africa Division, BIC

Rising import levels and increasing dollar surpluses make the East African common market region—comprised of Kenya, Uganda and Tanzania—a particularly promising market for expanding American exports.

East Africa increased its imports from 1964. Indications are that 1965 figures will again show an increase. The value of exports has also been rising and East Africa enjoyed an over-all trade surplus of $79 million in 1964.

The value of East African imports from the United States is low, although we purchase a relatively high share of the region's exports. In 1964, the U.S. share of the East African market amounted to only $25 million or 6%, while we purchased East African goods worth $80 million or 16%.

Uganda's striking figures

The figures for Uganda are particularly striking. In 1964 the United States purchased almost $50 million worth of commodities but sold less than $4 million worth of goods, including American materials required for Agency for International Development-financed projects.

Tanzania accumulated a dollar surplus on trade account with the United States valued at over $9 million for 1964.

Although Kenya normally runs an external trade deficit—offset by its export surplus with its East African partners—1964 figures for trade with the U.S. are in balance at $13.4 million each way.

East Africa's over-all dollar surplus on trade account with the United States was valued at $55 million for 1964.

Leading partners

The United Kingdom remains East Africa's leading trade partner, supplying 31% of Kenya's imports, 35% of Uganda's imports and 33% of Tanzania's imports in 1964.

Japan and West Germany have also obtained increasing shares of the total market and now rank second and third in importance as sources of supply.

The improved over-all trade position of East Africa is explained largely by increased export earnings as a result of better prices for key exports—copper, robusta coffee and cotton.

Rising import levels in all three countries can be accounted for by increased purchases of machinery and appliances, fertilizers, medical products, and pharmaceuticals. An expanding market exists for American goods in all of these product categories.

Machinery, equipment

The bulk of U.S. exports is in the machinery and equipment category, in considerable part for AID-financed projects. Even in these lines, however, Great Britain, West Germany, and France outrank the United States as suppliers.

Demand for men's clothing, radios, flashlights and batteries, parasols and colorful umbrellas, motor scooters, tires and tubes, sewing machines, swimming-pool equipment, paints, varnishes, dyestuffs and variety-store merchandise is also growing rapidly.

AID development grants and loans during fiscal 1964 totaled $3.3 million in Kenya, $2.6 million in Uganda, $6 million in Tanzania and $3.6 million for the region as a whole. These funds must be used to purchase American equipment, supplies, and services and should generate additional markets for tractors, farm equipment, hotel equipment, educational equipment and supplies, building materials, and vehicles during the remaining months of 1965.

Seek diversity

All three East African governments have made it clear that they wish to diversify trade relations and improve terms of trade with major trading partners. Bilateral trade agreements are used as a tool for implementing commercial policy, but the portion of total trade affected by such agreements is small.

In an attempt to facilitate internal distribution, each government has included in its development plans some provision for the encouragement of trading corporations and consumer cooperatives. These, it is hoped, will eventually import in bulk and retail in local market throughout each country. By this means it is believed that more goods can be channeled into the hands of African consumers who are beginning to come into the money sector of the economy in increasing numbers.

To assist American exporters who wish to test the possibilities of the East African market and to secure distributors, the Department of Commerce has opened a Sample Display Center at the U.S. Commercial Office in Nairobi for rotating exhibits of product samples and other promotional materials.

The first 30-day display, which opened May 21, included: ballpoint pens, cleaning compounds, toilet preparations, veterinary pharmaceuticals, lubricants, coatings and rust preventatives, vinyl tapes, plastic draperies, plastic wall panels, fabricated aluminum products, hand tools, industrial gauges, portable lamps, gas-powered bicycle engines, chain saws, generators and kerosene stoves.

American firms which sign exclusive agency contracts with East African distributors and provide promotional materials will generally have better success in finding acceptance for their products.

Picking up

Prospects are favorable for economic expansion in all three countries during 1965. Private investment, which remained at a standstill during the transitional years immediately following independence, has again begun to pick up and the signs are that East Africa can look forward to a rising growth rate for some time to come.

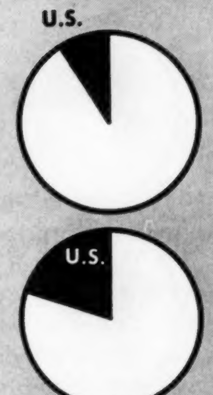
Some of the more important projects agreed upon recently include: a hydroelectric scheme, a sugar-processing complex, a soap products factory, a cork plant and an instant-tea-development research investment in Kenya; an oil refinery, a radio assembly plant and a textile mill in Tanzania; and a new sugar estate, a textile plant and two galvanized iron-sheet factories in Uganda. Plans for the development of a variety of small-scale consumer goods industries are beginning to materialize in all three lands.

Foreign private participation in investment projects is welcomed by each country, and all three have enacted Foreign Investment Protection Acts and signed Investment Guaranty Agreements with the United States. Under the terms of these agreements, American investors in Kenya, Uganda or Tanzania will be insured by the Agency for International Development against losses due to expropriation, inconvertibility, war, insurrection or revolution.

Ivory Coast

Growth shown in '64 expected to continue with import record anticipated in 1965

By WILLIAM M. EISENBERG
Africa Division, BIC



Ivory Coast's Imports, 1964

Total imports	$245 million
From U.S.	$ 23 million
U.S. share	9%

Ivory Coast's Exports, 1964

Total exports	$298 million
To U.S.	$ 60 million
U.S. share	20%

Principal imports from U.S.:
Aircraft, machinery, rice, oils and fats.

Principal exports to U.S.:
Coffee, cocoa and tuna.

The record level of U.S. exports to the Ivory Coast achieved in 1964 is expected to be exceeded this year.

Contributing to this favorable trend are sustained Ivory Coast dollar earnings from coffee exports, increased import quotas for consumer goods, and the relaxation of regulations requiring the purchase of certain commodities from France.

The economy of the Ivory Coast registered an 8% growth rate as '64 gross domestic product reached $820 million, compared with $754 million '63. Net national income rose from $601 million ('63) to $672 million ('64).

The tempo of economic activity increased in 1964, reinforcing business confidence. The year was marked by a 12% increase in the volume of industrial sales. Indicators of growth were a rise in the consumption of electricity, higher demand for gasoline and fuel oil, significantly greater imports of cement and lime, and increased registration of motor vehicles. Barring a precipitate fall in the price of coffee, the upward trend is expected to continue.

Global imports for 1964 were valued at $245 million, with the U.S. supplying $23 million, or 9.4% of the goods imported. Comparable figures for '63 were $152 million for global imports and $5.8 million, or 4%, for imports from the U.S.

U.S. commercial sales were in the range of $10 million, representing an approximate increase of 75 percent over the comparable 1963 level.

One of the favorable factors affecting U.S. exports is the rapid growth of Ivory Coast dollar earnings from the sale of coffee. A $41 million trade surplus with the U.S. in 1964 has allowed the Ivory Coast to accumulate ample dollar exchange with which increased purchases from the U.S. may be financed. While there has been some liberalization of the regulations and quotas affecting U.S. goods, the key to an improved U.S. position in the Ivory Coast market is the need to overcome the traditional orientation toward European suppliers.

An additional factor which could favorably influence the future level of U.S. exports is the recent simplification of the Ivory Coast import tax structure. The statistics tax of 1% has been eliminated. Although the special import duty has been raised from 7.53 to 10%, the incidence of the special duty is reduced because the base for calculating it is now the CIF value alone, not the CIF value plus the fiscal and customs duties as was the previous practice.

Inquiries to Ivorian importers regarding previous sales records and future sales possibilities for American goods in-

It is believed that particular attention on the part of American exporters should be directed toward sales of road building and heavy construction equipment, agricultural and forestry machinery, electrical and electronics equipment, rice and wheat. The prospects for wheat sales were greatly enhanced by the recent cancellation of the requirement that the Ivory Coast import all of its wheat from France.

Imports of refined petroleum products will begin to decline in the second half of '65 due to the operation of a new $18 million Abidjan oil refinery.

Investment climate good

The climate for foreign private investment should continue to be favorable. This situation is reflected in the liberal investment code, an Investment Guaranty Agreement in effect between the U.S. and the Ivory Coast, a favorable government attitude toward private enterprise, and an Ivorian development bank (BIDI) which provides long term credit for joint-venture enterprise.

Indications of increased American participation in the economy have been given by the arrangement between Pan American Airways and Air Afrique for service to Abidjan; American equity participation in several banks; and engineering studies on the Bandama Dam project undertaken by Kaiser Engineers.

New private investment for 1964 was estimated at $36 million and is expected to be about the same for 1965.

Future expansion of the industrial capacity of the country will increase the demand for imports of capital goods. Among the contemplated new industrial investments are: increased textile capacity; a banana treating and packing plant; an additional cement clinker plant; a drug and pharmaceutical plant; a sack factory; a fertilizer plant; a plywood mill; a fish processing complex; and a brick factory.

New construction planned

Public investment, with its emphasis on increased industrial and agricultural production, will continue to support the demand for imports. While detailed figures for the 1965 development budget have not been released, known construction to be initiated in 1965 includes a second Abidjan bridge, $14.5 million; the San Pedro port development, $12 million; the University Hospital Center, $8 million; and school projects, $5 million.

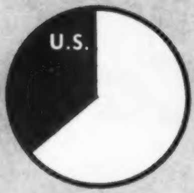
Public foreign assistance is also aiding the growth of the economy. The EEC is helping with a $38.4 million project for palm oil development. The Government hopes through this project—and through development of rice, cotton and rubber production—to reduce to some extent the economy's dependence on coffee and cocoa—crops which have exhibited price instability on the world market. A $700,000 survey of forest and soil resources in order to promote the development of the lumber industry in the southwest forest region is being financed by U.S. AID. The U.N. has agreed to finance mineral explorations in this same southwest area and the World Bank (IBRD) is considering a $90 million loan for the Bandama Dam Project.

Liberia

See improved prospects for trade when earnings from iron ore exports increase

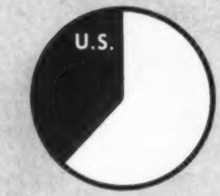
By THOMAS J. ROESCH
Africa Division, BIC

Liberia's Imports, 1963



Total imports	$120 million
From U.S.	$ 43 million
U.S. share	36%

Liberia's Exports, 1963



Total exports	$ 81 million
To U.S.	$ 32 million
U.S. share	38%

Principal imports from U.S.:
Machinery, vehicles, rice, tobacco products.

Principal exports to U.S.:
Iron ore, crude rubber, coffee.
(Note—1964 Trade Data not available)

Lagging aggregate demand, stemming from a downturn in construction following completion of large private investments in iron mining and reduced public sector spending under the government's austerity program, restricted Liberian imports during 1964. The underlying conditions have persisted into 1965 so little improvement is expected in the current year. Long term prospects for U.S. trade and investment in Liberia appear favorable, however, as earnings from iron-ore exports increase.

A significant change has occurred in Liberia's trade balance. For several years there has been a persistent, unfavorable balance of trade caused by large imports, principally from U.S. sources, of equipment and material used in the construction of iron mine facilities. Then in 1963, because the mine construction was reaching completion, U.S. exports to Liberia dropped almost 30% from $51 million to $35.9 million. In 1964 they declined slightly to $35.3 million.

In contrast to the apparent leveling of U.S. exports, American imports from Liberia have risen appreciably, reflecting the growing production of the new iron mines. Following a three year period (1961, 1962 and 1963) in which imports rose only slightly, they jumped from $32 million in 1963 to $48 million in 1964. Almost two-thirds of the increase was made up of iron ore. The remaining third was mostly coffee.

Although the U.S. dock strike early this year has made most U.S. trade figures for the first quarter of 1965 abnormally low, they still reflect a continuing imbalance of American imports from Liberia relative to exports. In the first quarter of 1965 the U.S. experienced a trade deficit of $4.9 million (imports $12.1 million, exports $7.2 million).

Reduced capital inflow

While this change in the direction of the net flow of trade should tend to strengthen Liberia's reserve of foreign exchange, the effect is lessened by a reduced inflow of capital. Furthermore, Liberia continues to suffer a drain of foreign exchange through servicing a large debt incurred in the development of the economy's infrastructure.

The major categories of American exports to Liberia have remained essentially the same for the past two years. Milled rice alone continues to account for 15% of the total. Other items include cigarettes, petroleum, chemicals (the explosives component dropped sharply in 1964), fabrics, clothes, iron and steel products, electrical machinery, and motor vehicles and parts. Important U.S. imports from Liberia also include rubber, diamonds, palm kernels and cocoa.

German traders active

A noteworthy factor in marketing in Liberia which should be recognized by American businessmen is the growing competition from European traders. Although the U.S. has traditionally been and still is Liberia's most important trading partner, its relative importance has been declining in recent years because of the increased market penetration by, primarily, German and UK exporters. The interest of third countries in Liberia is further evidenced by the visits during the past year of trade delegations from Canada, Japan, Poland, and Yugoslavia. The strongest area of competition between the U.S. and these third countries appears to be in soft goods. West Germany has undertaken a significant aid program in Liberia which accounts, in part, for her growing trade with Liberia.

In spite of the growing importance of the trade of other countries American businessmen still derive a definite advantage from the American orientation of the Liberian market, a situation unique in Africa in its degree. This familiarity with and appreciation for American brands and standards among the Liberians constitute an important aid to American businessmen wishing to enter the market.

The U.S. AID program forms an important part of the total American commercial picture and of the general economic development of Liberia. The operation, which runs from technical and administrative assistance for the Liberian Government to construction projects and basic economic surveys, has gone far in achieving a more balanced growth of the Liberian economy.

Construction program

The major AID project in Liberia continues to be the $27 million Mt. Coffee hydroelectric project. However, there are also under way the construction of a $2 million Junior-Senior high school in Monrovia, the capital of Liberia; an $8 million water system for Monrovia; and a $10 million package project including rural and urban elementary schools and a medical center. Determination of which firm handles the construction of these projects is usually made by open bids; approximately 50 per cent of the cost of the projects is tied to the purchase of U.S. goods.

To lay the groundwork for future projects, the aid program includes basic surveys such as the South East area survey, and the geological survey and mapping project. Both operations should lead to specific development projects which will create opportunities for expanding U.S. trade with Liberia.

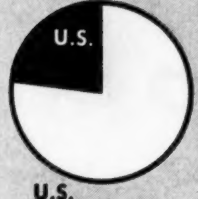
The investment climate for Liberia continues to be good. Recognizing the need for foreign capital in the development of the economy, the Liberian Government maintains its "Open Door Policy" toward foreign investment, which, since the end of World War II, has succeeded in attracting abundant foreign capital and technical skills.

Libya

Government encourages imports by reducing or eliminating duties on more than 300 items

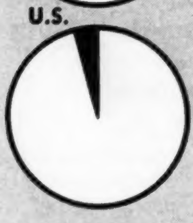
By OMERO SABATINI

Africa Division, BIC



Libya's Imports, 1964

Total imports	$292 million
From U.S.	$ 68 million
U.S. share	23%



Libya's Exports, 1964

Total exports	$700 million
To U.S.	$ 30 million
U.S. share	4%

Principal imports from U.S.:
Pumps, electrical machinery, vehicles and parts, iron and steel pipes, excavating equipment, fuels.

Principal exports to U.S.:
Petroleum.

The steady, upward trend that has characterized U.S. exports to Libya in recent years is expected to continue through the remainder of 1965 and into 1966.

Sustained expansion in the oil industry has stimulated impressive economic growth and increased Libya's foreign exchange earnings.

Total Libyan exports jumped from $18.5 million in 1961 (when oil shipments had not yet begun) to $700.5 million in 1965. During the same period, total imports nearly doubled, rising from $149.2 million to $292.3 million.

With the production and sales of crude oil at the record level of 1.2 million barrels per day and development of the vast natural gas resources under way, current indicators point to continued strong growth.

Libya's oil boom and accompanying monetary expansion have resulted in rapidly climbing consumer prices and a high cost of living, but the country is making an effort to counter inflationary tendencies. The Government currently is considering several corrective measures, including imposition of effective wholesale and retail price controls on essential consumer goods. It also has adopted a policy of stimulating lower priced imports into the country, through reduction or elimination of import duties on more than 300 consumer and capital goods items. (See INTERNATIONAL COMMERCE, March 1, 1965.

Climate for sales

Government measures to encourage imports, a substantial accumulation of foreign exchange resulting from oil royalties, and rapidly increasing demands for foreign goods and services are creating excellent opportunities for sales of U.S. goods of all types.

The U.S. became Libya's major supplier in 1964, accounting for 23.2% of the market, or $67.7 million (Libyan statistics), as compared with 19.9% of the market and $47.7 million in 1963. U.S. export statistics show Libya to have been the fourth largest African market for U.S. exports in 1964, after South Africa, the Congo (Leopoldville), and Nigeria. All U.S. exports to Libya are commercial exports, financed through Libyan foreign exchange resources.

For the past few years about two-thirds of the U.S. exports to Libya have been in machinery and transport equipment, including sizable shipments of oil field equipment, motor vehicles and parts, and electrical equipment. Manufactured goods and articles, chemicals, and foodstuffs have also been of some importance. The bulk of U.S. sales has consisted of goods for the oil companies.

Diverse fields

It is believed, however, that particular export gains can now be made in fields other than the oil industry as the tempo of implementation of Libya's five-year $475 million development plan for the period 1963-67 increases and as consumer buying power rises.

The development plan assigns priorities to the agricultural sector, improvement of health and education services, and creation of an adequate infrastructure through construction of roads, ports, airports, communications facilities, power generating plants and other public works.

To carry out these projects Libya will need equipment and materials such as heavy and light agricultural machinery, fertilizers, insecticides, and olive presses; construction equipment, building supplies and hardware; plumbing and sanitary fixtures; school and office equipment and supplies; medical, hospital and laboratory supplies; pharmaceuticals; motor vehicles and parts; and vehicle maintenance equipment.

To implement its development plan Libya also will require the services of technically qualified firms and personnel from abroad.

Since the plan is to be financed with oil revenues, there is no doubt that Libya has the financial capability to provide the capital necessary for the planned projects.

In the field of consumer goods promising opportunities exist for dairy products, edible oils, prepared foodstuffs, wheat, flour, and rice; ready-made clothing; fabrics of all kinds, particularly synthetic fabrics; footwear; soaps and toilet articles; costume jewelry; toys; electrical appliances, including radios; and household furniture.

There are no trade controls adversely affecting U.S. exports to Libya. Although individual import licenses are required for selected products, the bulk of items in normal commerce can be imported under open general license. There is no tariff discrimination against U.S. goods.

More attention given

It should be noted, however, that while the Libyan market is an open one, it has been traditionally oriented toward European sources of supply, especially in fields not related to petroleum. Furthermore, the industrial nations of Europe are now paying increased attention to the Libyan market, thus intensifying third-country competition.

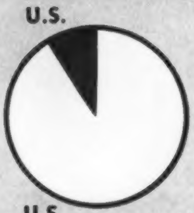
Direct U.S. investment, largely in the oil industry, amounted to $304 million at the end of 1963, according to U.S. Government estimates. One of the most significant new projects is a $140 million gas liquification plant. Investment opportunities exist in other natural gas industries such as fertilizers and other petrochemicals.

The present investment opportunities for firms engaged in activities not connected with petroleum are somewhat restricted. There is a trend toward Libyanization of non-petroleum industries. Existing laws require at least 51% Libyan ownership of certain business firms.

Morocco

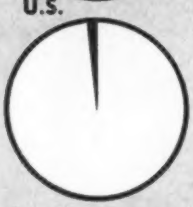
Development plan may present larger role for U.S. goods in economic growth

By BONNIE ANN McGOUGH
Africa Division, BIC



Morocco's Imports, 1964

Total imports	$466 million
From U.S.	$ 42 million
U.S. share	9%



Morocco's Exports, 1964

Total exports	$439 million
To U.S.	$ 6 million
U.S. share	1%

Principal imports from U.S.:
Grains, dairy products, machinery, vehicles, tobacco, vegetable oils, cotton, textiles.

Principal exports to U.S.:
Fish, fruit, vegetables, spices, manganese.

U.S. exports to Morocco in 1965 should continue at or near recent levels. Short term possibilities for significant increases are limited because of Morocco's current shortage of foreign exchange and past slowness in getting development projects under way.

Future implementation of industrial and agricultural modernization projects under the new Moroccan Economic Development Plan (1965-67) should present increasing opportunities for the sale of U.S. products and bolster business confidence in the long-run prospects for the economy.

In order to maximize the effective use of limited foreign exchange earnings, the Moroccan government has imposed control regulations limiting imports largely to essential items. Import restrictions now apply to the products of all countries alike, including products from France and other Franc-zone countries. This offers some latitude to Moroccan importers to procure from non-traditional sources.

Support assistance and development loan funds available to Morocco under the U.S. AID program should continue to provide the basis for substantial U.S. export sales and help American goods to gain a foothold in the Moroccan market.

Trade deficit cut

The success of Morocco's efforts to reduce its trade deficit is evident in the 1964 trade figures. Moroccan statistics for 1964 indicate a reduced trade deficit of $27 million in contrast to over $60 million at the end of 1963.

Total Moroccan exports rose from $389 million in 1963 to $439 million in 1964—an increase of about 13%. Imports rose less rapidly, going from $449 million to $466 million, an increase of less than 4%.

Imports from the U.S. in 1964 were valued at $42.3 million according to Moroccan statistics compared with $44.7 the year before. Moroccan sales to the U.S. decreased slightly from $5.7 million in 1963 to $5.5 in '64.

Three sectors

The new three-year development plan calls for a total investment of $688 million in the public and private sectors of the economy over the years 1965-1967. The Plan focuses on three priority sectors—agriculture, tourism and the technical training of workers. It envisages an annual growth rate of 3.5%.

In order to finance the new Plan Morocco is relying heavily on the assistance of friendly governments and on private foreign investment. Dependence on U.S. AID development loans for projects within the framework of the Plan should help significantly to improve the role of U.S. goods in Moroccan economic growth.

Tourism climbed 50%

In the tourist industry, the government intends to leave the largest possible field of action open for private initiative, undertaking for the most part only the construction of the necessary infra-structure required to support subsequent investment in tourist facilities.

In the agricultural sector, special emphasis will be placed upon the effective and enlarged utilization of irrigated lands, the search for water in the pre-Saharan regions, the reconstitution of soils, modernization of dry farming practices and the development of advanced animal husbandry.

Need private capital

Most projects in the industrial field, will continue to depend mainly on private capital for development. Official encouragement is offered particularly in food-processing industries and mining.

Moroccan law permits the repatriation of capital and dividends from investment projects approved by the Government. In addition, there is an Investment Guaranty Agreement in force between the U.S. and Morocco.

Americans considering the establishment of manufacturing or transforming enterprises in Morocco may wish to discuss their projects with the Bureau of Industrial Studies and Participation (*Bureau d'Etudes et de Participation Industrielle—BEPI*) and with the Directorate of Industry in the Ministry of National Economy and Finance, both at Rabat.

Some of the most likely sales possibilities in Morocco at present are:

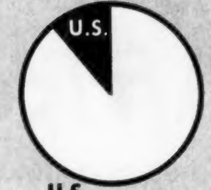
- Agricultural machinery and equipment, including pumps. Primary purchasers of farm machinery are official agencies of the government and make this equipment available to farmers on a cooperative basis.
- Automotive parts and maintenance equipment. The potential for automotive products is favorable. Total imports of automobiles and trucks of large motor capacity are growing and there is a need for parts, accessories, and maintenance equipment. U.S. sales of automotive parts and accessories amounted to $1.8 million in '64.
- Institutional catering equipment for hotels and restaurants. Air-conditioning equipment for Commercial and Industrial Purposes (including individual room types). An estimated increase of 10,000 hotel rooms to be built within the next 4-5 years.
- Food processing and packaging equipment. The food-processing industry increased its output by 7% in 1963. Planned projects include a new 22,000 ton capacity citrus fruit factory, a tomato paste plant of 13,000 tons capacity, and up to seven sugar beet refineries to be built over the next ten years.
- Textile machinery and equipment. The market for textile machinery is expanding at a rapid rate in Morocco.

Nigeria

Development of oil industry, construction projects indicate higher trade level

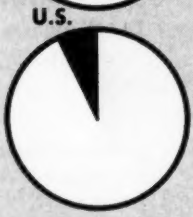
By JOHN HOKANSON

Africa Division, BIC



Nigeria's Imports, 1964

Total imports	$711 million
From U.S.	$ 81 million
U.S. share	11%



Nigeria's Exports, Jan.-Sept. 1964

Total exports	$447 million
To U.S.	$ 31 million
U.S. share	7%

Principal imports from U.S.:
Machinery and transportation equipment, manufactured metal goods (oil-field equipment), rice, wheat, used clothing.

Principal exports to U.S.:
Cocoa, natural rubber, tin, hides, columbium.

Continuation of relatively high levels of trade between the United States and Nigeria appear in prospect this year as rapid development of Nigeria's oil industry, construction projects—in large part related to infrastructure improvement—and industrial expansion support the growth of tropical Africa's most diverse and populous economy. American exports to Nigeria reached a record level in 1964. The pattern of U.S. imports from Nigeria is somewhat uncertain although there are indications that the declining trend of the past few years may be halted or reversed in 1965.

Nigeria's total imports and exports reached all-time highs in 1964. Imports, according to provisional Nigerian figures, amounted to some $711 million compared to $581 million during 1963. Exports climbed from $531 million to $592 million during the same period.

Slight changes

Available Nigerian data indicate some slight changes in the geographic pattern of Nigeria's trade in 1964. The European Economic Community (EEC) apparently took an increased percentage of Nigerian exports while holding its proportion of Nigerian imports about steady. The United Kingdom's relative share of Nigeria's exports and imports seems to have dropped. Trade data indicate that the U.S. share of Nigerian imports increased to more than 11 percent of the total although Nigerian exports to the United States declined.

The upsurge in U.S. exports to Nigeria in 1964, according to U.S. Bureau of the Census data, amounted to $27 million as the total rose from the $37 million recorded in 1963 to $64 million, an increase of 73 percent. Nearly all of the increase was accounted for by larger sales of manufactured goods (in large part iron and steel products), industrial machinery, and transport equipment. Levels in other U.S. export categories remained comparatively steady with those in 1963.

U.S. purchased less

American imports from Nigeria dropped slightly in 1964 to $36 million as a result of smaller purchases of cocoa and natural rubber by U.S. industry. Imports in 1963 amounted to $41 million.

United States' trade statistics for the first quarter of 1965 show American exports of $11.8 million to Nigeria with imports running at a level of $6.5 million.

Although Nigeria's trade and current account deficit in 1964 increased over the previous year, the country's exchange reserve and balance-of-payments position improved as inflows of private investment capital and governmental loans provided significant offsets. However, there will be continuing concern about Nigeria's balance of payments because exchange reserves at year's end—in spite of improvements—were at a minimum safe level equivalent to the value of about four months' imports.

Revenue from sales of crude petroleum in 1964 exceeded those from either of Nigeria's traditional exchange earners, cocoa and peanuts. As a further boon to its balance of payments, Nigeria's oil refinery will begin production later in the year, ending the country's dependence on overseas sources for many petroleum products. These developments come at a time when low world market prices for cocoa—Nigeria is the world's second largest producer—are tending to retard the country's foreign exchange earning power. Cocoa prices early this year reached their lowest levels since World War II.

Nigeria, in an effort to obtain assured markets for its products, has been negotiating for associate membership in the European Economic Community. If successful, this could result in some reorientation of Nigeria's trade pattern, possibly to the detriment of non-EEC trading partners.

In addition to benefiting the Nigerian economy, oil exploration and production have provided U.S. manufacturers with export opportunities for a variety of oil-field necessities including pipe, drilling bits, drilling muds, well-head equipment, hoses, values, and similar items. Several U.S.-owned or managed oil field service and supply outlets have been established.

Other industry growth

Although the most dramatic, oil is not the only dynamic force in the Nigerian economy.

Nigeria's industrial expansion provides prime marketing opportunities for construction equipment, building materials and machinery. Although many of the projects are designed to lessen the need for imports and to process Nigerian agricultural produce, the plants should offer continuing sales opportunities for parts and equipment, and some will require imported raw materials to operate.

The U.S. Agency for International Development (AID) is involved in a number of development projects, the most notable being the huge Niger Dam which will harness the Niger River in northwestern Nigeria. Other AID projects include a water supply scheme, roads, schools, and technical assistance and grant activities in support of agriculture, industry, and education.

Foreign capital welcome

The investment climate in Nigeria remains good. Recent pronouncements by officials of federal and regional governments have reassured investors that foreign capital is welcomed.

Investors seem to be responding to opportunities in Nigeria. Recent estimates of net private capital inflow amounted to some $29 million in 1962; grew to about $90 million in 1963; and in 1964 reached $126 million.

South Africa

High level of trade expected to continue although economy's growth rate slows

By VICTOR FINGERHUT

Africa Division, BIC

The increased level of U.S. exports to South Africa attained during 1964 should be maintained in 1965, as South Africa's economy continues to operate at near capacity.

Barring developments having adverse political implications for South Africa, strong demand for U.S. exports should result from South Africa's sustained requirements for capital goods, near-record industrial output and new construction, steadily increasing consumer income, and continued high levels of gold production to underwrite a large part of a sizable foreign trade deficit.

South Africa's Imports, 1964

Total imports	$2,136 million
From U.S.	$ 406 million
U.S. share	19%

South Africa's Exports, 1964

Total exports	$1,440 million
To U.S.	$ 250 million
U.S. share	N.A.

Principal imports from U.S.:

Machinery and related equipment, transport equipment, chemicals, textile fibres, yarns and finished products.

Principal exports to U.S.:

Uranium, food and live animals (including fish and fish products and sugar), diamonds, both gem and industrial.

U.S. exports to South Africa in 1964 reached $393 million, an increase of 42% over the previous year. Official U.S. trade figures indicate that this favorable trend has continued into the first quarter of 1965, when U.S. sales to South Africa amounted to $99 million, an increase of 14% over the corresponding period in 1964.

South Africa's gross national product (GNP) for the fiscal year ended June 31, 1964, was about 7 billion rands ($9.8 billion), an increase of about 7.5% in real terms over the previous year. South African officials estimate that the growth rate for the fiscal year 1964-65 will be somewhat lower, perhaps around 5%.

The slowdown in the growth rate has stemmed largely from the fact that virtually full employment of skilled and semi-skilled labor has been reached in several industries, including the building trades.

The problem has been somewhat aggravated by the Government's job restriction policies which often prevent the full utilization of non-white labor. In several industries, however, these policies have not been fully enforced, and non-white workers are increasingly holding skilled and semi-skilled positions which previously were reserved for whites.

The slower growth rate in 1965, has not altered the basically upward movement of the economy and the continued active business conditions. With South Africa in the third consecutive year of increased economic activity, business confidence in most major sectors remains high. Underlying this attitude is the view that extensive basic developmental projects currently underway and the continued high rate of private investment (including substantial industrial construction) will maintain the expansionary movement.

The principal factors causing business concern stem not from a fear of a broad economic slowdown, but rather from the possibility that the economic system may be approaching a stage of "overheating." The labor shortage in certain industries and a gradual upward movement in prices along a rather broad front during the early months of 1965 have contributed to this outlook.

The Government has responded to these inflationary signs by some tightening of bank and consumer credit, and putting forth an anti-inflationary National budget for 1965/66.

Foreign trade

The generally high level of economic activity in South Africa in 1964 was accompanied by record levels of global imports. South Africa's foreign purchases for the year reached $2,136 million.

U.S. exports to South Africa benefited from the overall increase in the Republic's imports and have even modestly increased their share of the market. The $393 million in U.S. exports to South Africa in 1964 represented over 19% of South Africa's total foreign purchases—compared with U.S. sales of $278 million, or about 17% of the market, in 1963.

U.S. imports from South Africa have remained relatively stable, down slightly from $259 million in 1963 to $250 million in 1964.

Trade regulations

Although South Africa's high level of imports in 1964 and the first part of 1965 have resulted in some decline in the country's gold and foreign exchange holdings, official pronouncements indicate that South Africa will try to maintain the relatively liberal policy towards import permits which has been in effect during the past two years. The Government believes that a sharp decline in imports would contribute to shortages in certain product areas and add to inflationary tendencies in the economy.

Market opportunities

There are opportunities for significantly increased U.S. sales in South Africa of both producer and consumer goods, although a further decline in South Africa's exchange position could result in some tightening of import quotas for certain consumer goods.

The favorable prospects in producer goods stem from the continuing high demand for capital equipment which has been stimulated by the country's industrial development program. Opportunities in consumer goods have resulted from steady increases in consumer income and the relatively relaxed state of import quotas.

In producer goods, promising markets exist in textile machinery; business and scientific equipment; certain machine tools; food canning, freezing and refrigeration machinery and equipment; and machinery for the printing, pulp and paper industries. Demand for roadbuilding, construction and excavating machinery also is expected to remain high.

In consumer goods, sales prospects appear favorable for furniture and lampware; toys; hardware and cutlery; jewelry; all types of motor vehicle accessories; paper products, including books and stationery; and selected textile manufactures.

Ohio exporter sees Latin America as trader's 'Europe of tomorrow'

Says U.S. business has 'real economic stake' south of the border and responsibility of helping economic development there

By OSWALD SCHINDLER

Vice President, Cleveland World Trade Association

SCHINDLER

I recently returned from an extensive trip to Latin America—a trip marked by very good business, rewarding personal friendships, amusing incidents, and some hair-raising experiences.

I happened to be riding in a taxicab in Caracas, Venezuela, during a transportation strike of which I was not aware. Mobs roamed the streets, overturning and burning busses and taxicabs they found operating in defiance of the strike. A U-turn at break-neck speed saved us.

Despite such an occurrence, the trip helped to confirm my impression that Latin America is a much better market for us than we give it credit for being.

Certainly there is serious inflation in some countries. In several other markets there is political instability. However, business does go on.

Looking back

Our attention to Latin America has been overshadowed in recent years by our interests and efforts in the extremely vital European Common Market and, in fact, all of Western Europe.

There we have stable political climate, a much larger population, a much higher standard of living and, with few exceptions, a very good economic health. However, if we think back a few decades, Europe also had runaway inflations and times of great political instability.

What I'm trying to say is that Latin America may well become the Europe of tomorrow. It won't be as big, because there are far fewer people and it does not have anywhere near the industrial capacity. But it is a market in which we would have far less competition, a prime trading area well worth our thoughts and efforts.

North American business has the responsibility of developing the economies of Latin America for our own profit, for the profit of the Latin American businessmen with whom we deal, for the economic well-being of both Americas, and indeed for the sake of free people everywhere.

'Take some risks'

Much can be accomplished in our own business dealings with our Latin American customers and associates. We will have to take some risks, extend some credit, develop specially tailored merchandising materials and extend technical help as well as basic management assistance.

When I speak about developing Latin America, I am not so much concerned with the exploitation of resources, which is going on to some extent, as I am with the development of the individual Latin American businessman—the fellow with whom you and I are doing business.

Small firms main support

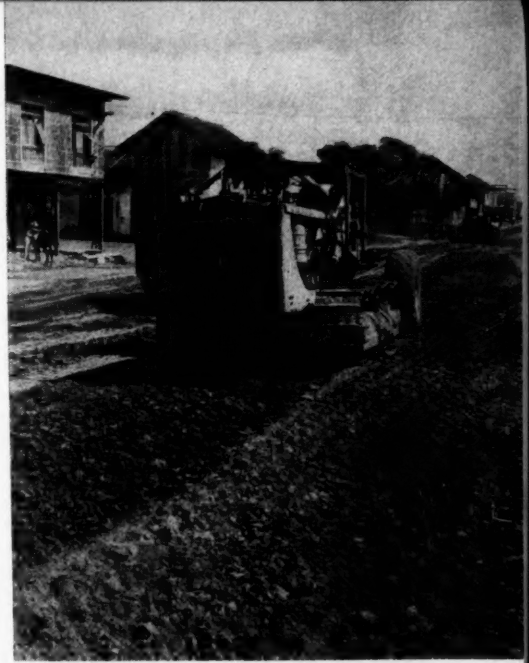
The small and medium-sized entrepreneurs, the executives in small, medium and large-sized companies, and the professional people and storekeepers whom they support are the hope for democracy and economic health in Latin America.

It is essential for the Latin American businessman to broaden and strengthen his base and foothold in his own country. He must be helped to feel that his country is not only the place where he happens to have been born, but it is also his business home. He must be helped to gain confidence in his own ability and importance, both business-wise and politically.

He must be helped to know and utilize better business practices, to become more efficient, to accomplish more in his own business and to create greater confidence so that he will be able to get funds for expansion without having to pay exorbitant interest rates that reach 20% and more in some areas.

Profit motive

If we can help the Latin American businessman to help himself to develop a strong, growing and healthy democratic middle class with economic well-being and increasing standards of living for all people, then Communism does not have a chance in the Western Hemisphere. And, strictly from a profit motive, we are going to be able to do a lot more business a lot more safely in a market which will just be a smaller Western Europe.



ROAD CONSTRUCTION at Pedro Carbo in Ecuador, underway due to a World Bank loan, is typical of the new development program that is helping Latin American countries to help themselves to a new higher all-around living standard.

Need group feeling

Latin American businessmen need to feel as a group; to get together in perhaps a Latin American Management Association or Latin American Industrial Conference Board; to exchange ideas, to learn together.

Perhaps we can help them by having the American Management Association or National Industrial Conference Board set up a Latin American section. However, I feel that this is an area where the foreign trade community of this country should come forth and let itself be heard.

We have a Cleveland World Trade Association and a New York association and a Chicago association. I think we need a United States World Trade Association.

We have not only a human and a political stake. We also have a very real economic stake that affects our businesses every day.

(Adapted from an address to the Cleveland World Trade Association. Schindler is president of Cleveland Overseas Corp., export sales agent for a number of Ohio manufacturers, chiefly of rubber and chemical products.)

U.S. foreign travel outlays grew at slower rate in '64

Spending by visitors to U.S. went up 17% during past year

Foreign countries received about $2.8 billion from U.S. travelers in 1964, or 5% more than in 1963, according to detailed estimates released by the U.S. Department of Commerce. The year-to-year increase was less than in any recent year except 1961—when the Berlin Wall crisis occurred—and was well below the annual average increase of the last decade. Almost 80%, or $2.2 billion, was spent for travel expenses within foreign countries.

More than $600 million was paid by Americans in 1964 to foreign sea and air carriers for transocean transportation. Over $500 million paid to U.S. ships and airlines brought the total foreign travel bill of Americans to nearly $3.4 billion, compared with $3.2 billion in 1963, the Office of Business Economics reports.

The number of travelers to all oversea countries increased 11.5% over 1963 to 2,220,000, with the proportion of travel by air up to 88%, from 85% in 1963.

U.S. residents spent $815 million for travel in Europe and the Mediterranean area last year, 8% above 1963, as a large increase in the number of travelers more than offset a decline in average spending. Expenditures in Canada reached $550 million, 5% higher than in 1963. In Mexico, Americans spent $480 million, up 7% from the year before. A 5% rise in travel spending in the West Indies and Caribbean area brought receipts in the area to $190 million. In other areas the changes from 1963 were slight.

Foreign visitors to the United States last year spent 17% more than in 1963, for a total of $1,095 million. Spending by visitors from Canada and Mexico as usual made up the bulk of our receipts, their combined outlays reaching $700 million, nearly two-thirds of the total. Visitors from overseas spent $400 million here last year, an increase of 20%, and paid $150 million to U.S. sea and air carriers.

Early indicators point to a more marked rise in travel payments in 1965 than last year, although average expenditures are expected to decline slightly once more. Preliminary estimates of U.S. spending for trips abroad during the first three months of 1965 indicate a 10% increase over the corresponding 1964 period, to $370 million.

Receipts from foreign visitors were also up slightly over 1964, to $230 million.

A more complete analysis of foreign travel is contained in the June issue of the *Survey of Current Business*, monthly publication of the Office of Business Economics, available from Field Offices of the Department of Commerce or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at an annual subscription price of $6, including weekly supplements; single copy 45 cents.

Conversion values of European currencies

By PAUL A. MAYER

Bureau of International Commerce

The dollar value of 13 principal European currencies, as well as their values relative to one another, are shown in the accompanying table.

The table can be read in two ways, to show the amount of foreign currency that can be obtained for $1, and shows the value of the other standard units of exchange relative to each other.

For example, the top line shows that the dollar is worth 25.32 Austrian schillings, 50.5 Belgian francs, 6.92 Danish kroner, and so forth.

Line 10 gives the conversion values of 100 Norwegian kroner, the standard Norwegian unit of exchange, as $13.99 U.S., 354.1 Austrian schillings, 699.5 Belgian francs, and so forth.

Thus the table can be used to find the U.S. equivalent of any of these currencies or to convert directly from one foreign currency to another (100 Belgian francs buy 16 German deutschmarks—line 3).

The figures are based on official exchange rates but the table is meant to serve only as a guide. For close financial calculations, up-to-the-minute information should be obtained from banks or institutions dealing in foreign exchange.

Country	Currency Units	Value in		$	S	Bfrs	Dkr	Ffrs	DM	£ sh d	Lire	Hfl	Nkr	Esc	Pts	Skr	Sfrs
U.S.A.	Dollars	$	1	**Read**	25.32	50.00	6.92	4.90	4.00	–. 7.2	625	3.61	7.15	28.57	60	5.16	4.33
Austria	Schillings	S	100	3.95	**Inter-**	197.50	27.33	19.35	15.80	1. 8.2	2,469	14.25	28.24	112.84	237	20.38	17.10
Belgium	Belgian francs	Bfrs	100	2.00	51.54	**national**	13.84	9.80	16.00	–.14.3	1,250	7.22	14.30	57.14	120	10.32	8.66
Denmark	Danish kroner	Dkr	100	14.45	365.75	722.25	**Commerce**	70.78	57.78	5. 3.2	9,028	52.15	103.28	412.70	867	74.54	62.55
France	French francs	Ffrs	100	20.41	516.78	1,020.50	141.24	**each**	81.64	7. 5.9	12,756	73.68	145.93	583.10	1,225	105.30	88.38
Germany	Deutschmark	DM	100	25.01	633.25	1,250.50	173.07	122.55	**week.**	8.18.8	15,631	90.29	178.82	714.55	1,500	129.05	108.30
Great Britain	Pounds	£	1.–.–	2.80	70.90	140.00	19.38	13.83	11.20	**it**	1,750	10.11	20.02	80.00	168	14.45	12.12
Italy	Lire	Lire	1,000	1.60	40.53	80.00	11.07	7.85	6.40	–.11.5	**helps**	5.78	11.45	45.71	96	8.26	6.93
Netherlands	Holl. florins	Hfl	100	27.72	701.87	1,386.00	191.82	136.10	110.88	9.18.–	17,315	**you**	198.20	792.00	1,662	143.04	120.03
Norway	Norw. kroner	Nkr	100	13.99	354.10	699.50	96.64	68.70	55.96	5. –.–	8,742	50.50	**sell**	399.70	839	72.19	60.58
Portugal	Escudos	Esc	100	3.50	88.62	175.00	24.22	17.18	14.00	1. 5.–	2,187	12.64	25.00	**your**	210	18.05	15.16
Spain	Pesetas	Pts	100	1.68	42.54	83.40	11.63	8.25	6.72	–.12.–	1,050	6.06	12.00	48.00	**product**	8.66	7.27
Sweden	Swedish kronor	Skr	100	19.39	490.25	969.50	134.17	95.20	77.56	6.18.6	12,119	70.00	138.63	554.00	1,163	**world-**	83.96
Switzerland	Swiss francs	Sfrs	100	23.07	584.13	1,153.50	159.64	113.27	92.28	8. 4.9	14,419	83.28	164.95	659.10	1,384	119.04	**wide.**

President Johnson to nominate LeRoy Collins Under Secretary of Commerce succeeding Roosevelt

Former Florida governor, director of National Association of Broadcasters, has served in business, public affairs

President Johnson announced last week his intention to nominate LeRoy Collins for appointment as Under Secretary of the Department of Commerce, succeeding Franklin D. Roosevelt, Jr.

LEROY COLLINS

Currently the director of the Department's Community Relations Service, Governor Collins will bring to his new post a background of long and distinguished service in law, government and business.

Successively a Florida state representative, senator and governor for an unprecedented six-year period, Governor Collins has also served as president of the National Association of Broadcasters.

Grocer's son

The Tallahassee-born son of a grocer and grandson of a circuit-riding Methodist preacher used savings from his job as a bank clerk to finance his education at the Eastman School of Business in Poughkeepsie, N.Y., and Cumberland University in Lebanon, Tenn., where he earned a bachelor's degree in law in 1931. In that year he took up private law practice in his state, entering the Florida House of Representatives three years later as Representative from Leon County.

His election as governor came in 1954 to serve out the final two years of the term of Governor Dan McCarty, who had died in office. Collins was re-elected to a full four-year term in 1956. In 1961 he was elected by the 43-man board of directors of the National Association of Broadcasters (NAB) to the NAB presidency, remaining in this position until 1964, when he was appointed the first director of the Community Relations Service, a new agency of the Department of Commerce created by the Civil Rights Act of 1964.

FCIA Insurance

An article titled "FCIA broadens export insurance coverage without raising rates" which appeared in the June 7 issue of INTERNATIONAL COMMERCE contained two points in the section headed "Exporter liability reduced" which might be misconstrued.

In the first paragraph there was an implication that the increase in coverage for such transactions as preshipment, leases, engineering and other services, and consignments, referred to the Eximbank program of guarantees to commercial banks. Coverage for such transactions is in fact granted only under Eximbank's program of direct guarantees to exporters.

It is also stated that political risk coverage under policies discussed remains at 95%. This percentage of political risk coverage is, however, granted only under the comprehensive short-term insurance issued by the FCIA.

NEED ASSISTANCE?

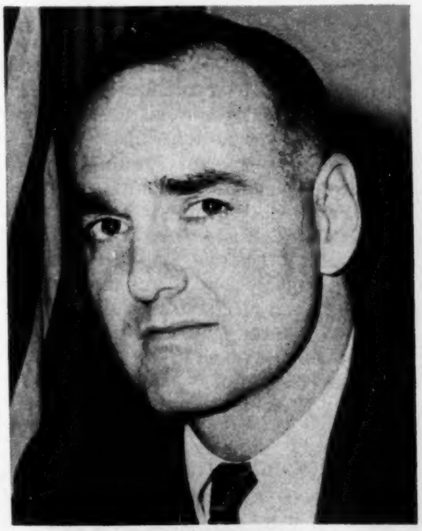
The Bureau of International Commerce, U.S. Department of Commerce, helps U.S. businessmen sell their products in overseas markets.

J. F. Collins fills post in domestic business area

Secretary Connor names him Deputy Assistant Secretary

James F. Collins, a Commerce official and former New York City business executive, was sworn in last week as Deputy Assistant Secretary of Commerce.

He will have principal responsibility for domestic business affairs and for the department's interest in such international commodity questions as market potentials, developments in processing and manufacturing, and the impact of imports on U.S. business.



J. F. COLLINS

In his new post, to which he was named by Secretary of Commerce John T. Connor, Collins will report to the Assistant Secretary of Commerce for Domestic and International Business, Alexander B. Trowbridge.

Collins, previously Deputy Administrator of the Business and Defense Services Administration, first joined the Department of Commerce in July 1962 as consultant to the Secretary of Commerce on trade adjustment matters.

A North Adams, Mass., native, a Brown University graduate and a Marine Corps veteran, Collins was associated with the Cerro Corp. and the Kaiser Aluminum and Chemical Corp., New York City, before entering government service.

Animal husbandry equipment, accessories to be displayed at Tokyo Trade Center

Market growing in Japan for equipment to support livestock industry; many farm cooperatives pooling resources to modernize, mechanize

U.S. makers and distributors of animal husbandry equipment and accessories will be offered an opportunity to introduce their products in Japan at the first animal husbandry equipment show in the U.S. Trade Center in Tokyo, Oct. 12-22.

A recent market survey prepared for the Commerce Department's Bureau of International Commerce (BIC) indicates a growing market in Japan for equipment to support the livestock industry, which has undergone a revolution in the last decade because of a trend toward westernization of the nation's diet.

According to the survey, almost every area of the Japanese economy—including agriculture—has boomed in the past decade. Agriculture, however, has been hampered by the small size of farms and lack of available land. Thus the need to modernize and mechanize livestock, dairy and poultry farming is vital. Large numbers of farm cooperatives, banded together in federations, are pooling their resources to achieve this end.

Market going up

The survey concludes that an annual market for U.S. equipment ranging from $2 million to $6 million can be developed.

Five categories of equipment, which present particularly promising sales opportunities for U.S. manufacturers, will be emphasized. These include:

- Dairy and beef cattle equipment for large scale operations such as milking parlors and barn cleaners, also milkroom equipment, automatic feeders and waterers, slaughterhouse equipment, and dairy feed-mixing and grinding devices, particularly small, portable units.
- Poultry equipment, including incubators with more than 10,000-egg capacities, automatic feeding and watering devices, and a wide range of modern accessories.
- Feed preparation equipment, including accessories for small batch grinding and mixing, also intermediate sizes of field machinery such as hay choppers and balers, and feed handling devices, including blowers and augers.
- Hog feeders and waterers, sprayers and specialized accessories.
- Premixes, pharmaceuticals and biologicals.

Write or call: Bureau of International Commerce, Department of Commerce, Washington, D.C., 20230, area code 202, WOrth 7-4512 or contact any of the Department's 42 Field Offices.

Swedes using more educational labs

U.S. educational laboratories and systems will be shown and demonstrated in the U.S. Trade Center in Stockholm, Aug. 17-26.

U.S. manufacturers seeking agents and distributors in the Scandinavian market or expanding sales of educational training aids there are invited to participate.

The Bureau of International Commerce (BIC) reports that the following types of educational laboratories and systems will be considered for the Stockholm show:

Instructional devices and programs; test grading and scoring equipment; audio visual equipment and accessories; student response systems; recorders, playbacks and tapes; closed circuit educational television; business education equipment; industrial and vocational aids; and library aids (microcards and microfilm systems).

The Scandinavian countries make extensive use of modern educational and training aids, both in their educational systems and in industry. The market is receptive to U.S. products, and American manufacturers who conduct an aggressive sales campaign should find a profitable market, the BIC said.

Write: Bureau of International Commerce, (Code 8193), Department of Commerce, Washington, D.C. 20230 (Phone: Area Code 202, WOrth 7-5791), or contact any of the Department's Field Offices.

Frankfurt Center to mount display on air-conditioning

Major growth in German demand seen in next several years

A trade show to help American manufacturers of air-conditioning equipment improve their position in the West German and neighboring markets will be held in the U.S. Trade Center, Frankfurt, Sept. 1-8.

The exhibition will present all phases of air-conditioning: cooling, cleaning, purifying, humidifying, dehumidifying, circulation and warming.

Equipment, components, and controls used in industrial, institutional, commercial and residential systems will be featured.

The Trade Center show is part of the Bureau of International Commerce's (BIC) continuing program to encourage U.S. manufacturers to take advantage of sales opportunities available in profitable overseas markets.

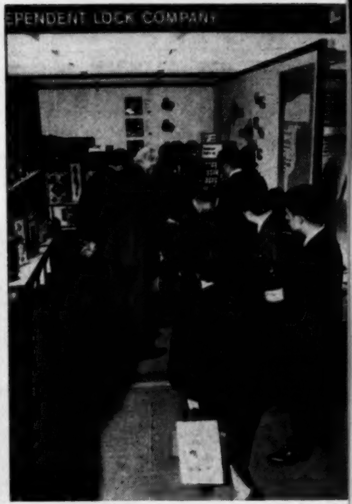
While U.S. air-conditioning firms already dominate the West German import market, the Frankfurt exhibition will enable established American manufacturers to improve their position. The show will also give newcomers to the export trade an excellent opportunity to test their products in a receptive market.

A major growth in demand for packaged and room air-conditioners is expected in the next few years, and important sales prospects for packaged air-conditioners are seen in industrial plants, such as textile firms, pulp and paper factories, printing establishments, and data processing centers.

The Germans prefer quiet-running equipment, and about 70% of air-conditioning equipment sold in West Germany has water, rather than air-heat transfer units.

Write: Bureau of International Commerce, (Code 8193), Department of Commerce, Washington, D.C. 20230 (Phone: Area Code 202, WOrth 7-3842), or contact any of the Department's Field Offices.

RIDGE TOOL COMPANY



Barcelona

Thirty-nine American manufacturers displaying tools and machinery for wood and metal-working industries and the automotive repair and maintenance trades participated in the official U.S. pavilion of the International Fair in Barcelona, Spain, June 1 to 15.

The Barcelona Fair is Spain's leading industrial trade event which in 1964 attracted more than one million visitors. This year's attendance is expected to surpass that figure.

The American Pavilion, one of the largest of the 27 government-sponsored exhibits, covered an area of 14,000 square feet. U.S. Ambassador to Spain, Angier Biddle Duke officially welcomed Spanish Minister of Commerce, Alberto Ullastres to the exhibit.

Months before the fair opened, the Department commissioned a Madrid-based research firm to survey the Spanish market. The market data determined that wood and metal working industries needed advanced design equipment to carry out their part of Spain's 4-year Development Plan.

SKIL
POWER TOOLS
SKIL

STORM-VULCAN INCORPORAT

End of Commonwealth tariff preferences will increase U.S. potential in Sierra Leone

Booming economy in 1964 produced record diamond sales, higher coffee exports; improved position offers chance for expanding U.S. sales

The abolition of Commonwealth tariff preferences this year will place U.S. goods on a parity with British products in Sierra Leone.

Elimination of the preferential tariff, coupled with Sierra Leone's improved economic position, will offer opportunities for the expansion of U.S. exports.

Highpoints of Sierra Leone's booming economy in 1964 were record diamond sales, a sharp increase in coffee exports, and implementation of several major projects including highway construction, a $3.6 million enlargement and modernization of the country's international airport, the large rutile mine which is U.S.-controlled, and a hotel in Freetown. The Government is striving to diversify the country's economic base and decrease the overdependence on one export—diamonds.

Trade statistics favorable

The favorable economic situation in 1964 was reflected in trade statistics, showing total 1964 exports valued at $85 million or 25% above the best results in recent years.

Diamonds accounted for 65% of export value, while iron-ore and agricultural products each shared 17% of the total export trade. Imports attained a record level of $99 million.

Although the market is limited, U.S. exporters have found markets for mining and construction machinery, air-conditioning and refrigeration equipment, ready-to-wear clothing and food (wheat, flour, rice, and some luxury canned and frozen goods).

According to U.S. trade statistics, U.S. exports to Sierra Leone totaled $10.7 million in 1964 while imports were $4.6 million.

The Government has placed improved highways on its list of priorities and the market for road building equipment should be good. Second-hand clothing has been effectively excluded by governmental imposition last year of a 35¢ per pound duty.

The Government is supporting several projects to improve agricultural production, including special emphasis on the study of agriculture in schools, clearing land to add to the acreage of export crops, and special projects to increase the milling capacity and improve the quality and volume of rice, the country's basic food.

A two-year study planned to determine Sierra Leone's sugar growing potential could result in saving a substantial amount of foreign exchange, while plans for a new plant to make instant coffee and three mills for processing palm oil should increase the volume of export trade.

Export control rules

Copies of the Summary of U.S. Export Control Regulations, revised as of March 1, 1965, can be ordered for 20 cents apiece from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Sierra Leone's mining sector is dominated by the diamond industry, which in 1964 reached the highest export value ever recorded. The increase was attributed to higher prices and large carry-overs from 1963.

In other sectors of the mining industry, bauxite production rose sharply and completion of a $25 million iron-ore expansion program will allow for a 40% increase in iron-ore production.

Work also was begun on the $15 million rutile mine near Gbangbama which is 80% owned by Pittsburgh Plate Glass and capable of producing 100,000 tons annually for export.

Factories spring up

Increased industrial activity was reflected last year in new factories for production of cement, umbrellas, plastic sandals, inner-spring mattresses and ready-to-wear clothes.

Future plans include an oil refinery in Freetown, a tomato paste plant, a textile mill and flour mills, a tire retreading plant, a knit-wear factory, an aluminum fabricating plant and a small diamond cutting and polishing industry to be established by a U.S. firm.

The Government is reevaluating its development plan and high priority is expected to be placed on agricultural development and road construction. In line with these plans, a loan has been requested from the International Finance Corp. to improve the highway situation and the UN Special Fund has been asked to do a study on possible establishment of an agricultural development corporation. Development projects presently under way are largely concentrated on infrastructure.

The proposal for a customs union between Sierra Leone, the Ivory Coast, Liberia and Guinea could broaden the potential market for exporters. The effectivenes of this union is dependent, however, on improved communication between the countries.

For a detailed report, on loan, **write:** OIRE, Bureau of International Commerce, Department of Commerce, Washington, D.C. 20230.

American trade association formed in New Zealand

An American Trade Association of New Zealand (ATNAZ) has been established in Wellington. The success achieved at the 1964 International Trade Fair held in Wellington last August, when $840,000 worth of new business was developed by firms exhibiting at the U.S. Court, and the accelerating tempo of New Zealand's trade with the United States were major determinants leading to organization of the association.

Commerce Secretary Connor, in a message to the Association, delivered by Ambassador Powell at the June 16 inaugural meeting, stated that the Association ". . . . is a recognition of the vital services to be performed by a voluntary business association in meeting the new challenges and opportunities of growing trade and business between New Zealand and the United States."

The Association will try to facilitate trade contracts between the two countries and to promote the development of trade and commerce in general. Offices will be opened and permanently staffed to advise members and answer business and trade inquiries. A periodical will be published to advertise trade inquiries and publicize current developments in American-New Zealand trade.

Westinghouse
Westinghouse

ON LOCATION IN LAREN, the Netherlands, Westinghouse exhibit van is open to the public outside Hotel Hamdorff while staff conducts seminar on trends in U.S.-made air-conditioning equipment inside.

New York firm tests show-sell approach to European buyers

Westinghouse sends special van to introduce cooling equipment

The Dutch architect has a message for the New York manufacturer:

If seeing is believing, seeing the real thing is far better than looking at a picture in a catalog.

Jim Hassett, sales specialist for Westinghouse Electric International Co., got the word while touring Europe in a moving van—a specially designed exhibit-on-wheels used to introduce Westinghouse air-conditioning products to European architects, air-conditioning consultants and building contractors.

The van rolled for a month on a 1,600-mile spring tour through five European countries, ended the trip by becoming part of the Westinghouse display at the London International Engineering Exhibit.

The company sent the van to Germany, Holland, Belgium, France and England on the theory that an unusual presentation of products was needed to capture a select and discriminating audience.

"Every distributor in the five countries was highly pleased and expressed the feeling that we should make it an annual affair," air conditioning manager Herbert Boedtker said.

The architect from Rotterdam told Hassett, "Seeing the actual equipment is far more beneficial than just seeing catalog photographs."

Seminars on the subject, "New Trends in U.S.A. Air Conditioning," were held during van stops in Stuttgart, Hamburg, Dortmund, Frankfurt, Laren, Nimy Les Mons and Paris. Meetings ran from two hours to a full day, during which time the van—parked outside the meeting place—was open to the public.

European distributors for Westinghouse made the arrangements for each stop.

Equipment mounted on the van included a gas furnace and a packaged heat pump; centrifugal, air-cooled and water-cooled reciprocating water chillers; air-cooled and water-cooled packaged cooling units; an air-handling unit and a commercial air-conditioning system.

Intra-LAFTA trade scored strongest gains during 1964

Trade in 1964 among the countries of the Latin American Free Trade Association (LAFTA) was the highest on record, according to statistics recently published by the LAFTA Secretariat.

The value of this trade has increased in both size and as a percentage of total external trade of the member countries in each of the three years since the LAFTA tariff concessions became effective. Imports from LAFTA sources in 1964 were reported at nearly $646 million, more than 10% of the $5,981 million value of total 1964 imports by the nine member countries (Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, and Uruguay). For all of these countries except Peru, 1964 trade with other LAFTA countries was a higher percentage of total trade than the comparable percentage for 1963.

Paraguay is the most dependent of the nine countries on trade with other LAFTA countries, as it accounted for nearly 30% of Paraguay's external trade in 1964. Mexico depends least on LAFTA sources. However, although Mexico's 1964 trade with other LAFTA countries was just over 2% of her total trade, it showed a 40% increase over 1963 trade with these same countries.

Limited findings from detailed studies of LAFTA trade statistics suggest that these countries are diversifying their exports somewhat or are finding new markets for traditional exports, or both.

Virginia trade leader dies

A long-time leader of world trade activities within the Commonwealth of Virginia died in Richmond on June 13.

Edward M. Parrish, retired president of the Gulf Red Cedar Co., was a charter member and past president of the Export-Import Club of Richmond. He also had served as a member of the Regional Export Expansion Council there.

As a co-founder of Virginia's annual World Trade Conference, sponsored by the State Chamber of Commerce, Parrish conceived the idea of the student forum which is a regular part of the conference.

In 1956, Parrish served on a U.S. Trade Mission to Paris.

U. S. Government Actions

Fertilizer projects in Korea to require U.S. equipment

Two plants will be constructed in joint U.S., Korean venture

U.S. equipment, construction supplies and services, and raw materials will be purchased to construct two modern fertilizer plants in Korea, jointly owned by Korean and U.S. investors.

American investors in the new firms are the Gulf Oil Corp. of Pittsburgh with a half interest in the Chinhae Chemical Co., Ltd., and Swift & Co. of Chicago and the Skelly Oil Co. of Tulsa jointly holding half interest in the Yong-Nam Chemical Co., Ltd.

Both plants will be built on waterfront property, the first at Chinhae west of Pusan and the other at Ulsan up the coast to the north. Each will employ approximately 800 workers.

The plants are scheduled to begin production in mid-1967. Both will be designed for an annual capacity of 143,000 metric tons of nitrogen, phosphate and potash in the form of 180,000 metric tons of mixed fertilizer and 84,000 metric tons of urea.

Investments protected

Except for site differences, the two plants will be identical and will be built by the same contractor.

The U.S. investment will be protected up to 50% through extended risk guaranties issued by the Agency for International Development. Certain specific risks are to be guaranties 100%.

AID has also authorized two nearly identical loans totalling $48.8 million to the Republic of Korea to make possible dollar subloans for purchase of the U.S. equipment.

The larger of the two loans, amounting to $24.6 million, is for Chinhae in which Gulf will have a 50% equity through a $10.5 million investment. A like amount will be put up by the Chungju Fertilizer Corp., a Korean Government corporation and owner of one of the two fertilizer plants presently in operation in Korea.

The other loan, for $24.2 million, will be for the construction of Yong-Nam which will have a $10 million investment from Swift and Skelly matched by another $10 million from Chungju.

Both loans will be repaid in dollars by the Korean Government over 30 years after a 10-year grace period.

U.S. company joins Indian chemical venture

Hercules Powder Co. has announced the formation of a new company, Herdillia Chemicals, Ltd., in India, in partnership with Distillers Co., Ltd., of the United Kingdom and E. I. D. Parry, Ltd., of Madras, India.

The new company, which will produce phenol, acetone, diacetone alcohol, phthalic anhydride and phthalate esters, will be the first organization in India to produce these basic organic chemicals. Location of the Herdillia production facilities will be the industrial district of Thana, near Bombay.

Shares of the new firm to a total of 43% will be offered to the Indian public and traded over the Bombay Stock Exchange.

Cost of the new project will be in excess of $22 million, of which the Export-Import Bank will lend the company $3.3 million. The Agency for International Development is participating in the financing to the extent of about $5.6 million in rupees to cover a portion of the local costs.

A construction contract is being awarded to Lummis Co., Ltd., of the United Kingdom. Construction will begin immediately and it is anticipated that the plant will begin production in the second quarter of 1967.

Uganda, U.S. conclude investment guaranty pact

Uganda has concluded an Investment Guaranty Agreement with the U.S., becoming the 26th African country to sign such an agreement.

The Agency for International Development may now insure U.S. investors in Uganda against losses caused by inconvertibility of currency; expropriation; and war, insurrection, and revolution. Certain commercial and extended political risks can also be covered.

Uganda undertook the Investment Guaranty Agreement in order to attract private U.S. investment.

Uganda has already enacted a Foreign Investments Protection Act and an Industrial Charter.

Tariff Commission reports on lead, zinc import quotas

The Tariff Commission has found that termination of import quotas on unmanufactured lead and zinc would not be detrimental to U.S. lead and zinc producers.

In a report to President Johnson, the Commission found that relaxation of the absolute quotas would not be harmful "unless world demand for these metals should subside substantially in relation to world supplies.

The Commission report was requested by the President to assist him in determining whether or not to relax or terminate the quotas imposed on unmanufactured lead and zinc in 1958.

"Under present conditions, with overall free-world consumption exceeding output, it is the limited availability of foreign supplies, rather than quota restrictions that discourages U.S. imports," the report stated.

The Commission also noted that "most domestic producers probably will be in a stronger position to meet future import competition without import quota restrictions than in the past, as their competitive position has improved substantially in the past six years."

For copies of the public report **write:** Secretary, Tariff Commission, 8th and E Sts., NW., Washington, D.C. 20436.

LICENSING ARRANGEMENT

Manufacturer of gasoline lawnmowers using engines imported from Briggs and Stratton; kitchen ranges and grills; electric convection heaters; and electric cabinet type clothes dryers would like to supplement present production by manufacturing additional complementary products under a licensing or royalty arrangement.

Write: Walmac Electrical Products, Pty., Ltd., 23 Lusty St., Arncliffe, Sydney, Australia. WTD.

PLASTIC PRODUCTS

Manufacturer of plastic products with facilities including one oz. to 20 oz. injection moulding machines and 1⅛ in. to 2½ in. extrusion machines is interested in licensing arrangement for production of additional goods within the scope of his equipment.

Write: Reva Plastics, Pty., Ltd., 2187 Dandenong Rd., Springvale N., Victoria, Australia. WTD.

Venezuelan requests joint venture for smoked fish project

U.S. collaboration needed to establish local plant

A Venezuelan firm wants a joint venture to establish a smoked fish industry using available species of tropical fish to produce a smoked herring type product.

According to the firm, laboratory tests combined with the experience of three small plants have shown that two species of fish termed "Cabana" and "Cataco", smoked with local wood, have the taste and appearance of smoked herring.

These are medium to surface fish available in Venezuela's three fishing centers —Margarita Island, Gulf of Caraco, and Punto Fijo, and presently are captured in the nets of sardine purse seiners within two miles of shore. Fishermen currently discard these fish.

Fishing vessel required

Planning calls for a plant, which can be financed locally, to be established near one of the three fishing centers. In addition to supplying the fishing know-how, a U.S. collaborator is asked to bring into the company, for operation under the Venezuelan flag, a fully-equipped fishing vessel. While the fish presently can be bought for a penny each from local fishermen, the company believes that when it begins production it should have its own boat, to insure an adequate supply of fish at competitive prices.

Write: Christian Pfeiffer, Americana Valor S.A., Edificio Galipan, A-2-F, Avenida Francisco de Miranda, Caracas (Apartado 11491 Chacao) Venezuela. WTD.

ELECTRONIC EQUIPMENT

Manufacturer of communications and electronic equipment is interested in manufacturing U.S. communication and electronic equipment under license. The British firm is also interested in a cross licensing arrangement, holding numerous patents in the communication field.

Write: Shipton Automation (Manufacturing), Ltd., Maylands Ave., Hemel Hempstead, Herts, England. WTD.

Investment assistance

It is suggested that firms responding to investment opportunities listed in this section may wish to notify the Bureau of International Commerce of their action, so that further assistance may be extended where appropriate. A post card, or simply a carbon of the letter addressed to the foreign firm will be sufficient to insure receipt of additional information as available.

A (★) following the name of the foreign firm denotes that additional information concerning the proposal is available at no charge by contacting BIC-8630, Room 1520, Department of Commerce, Washington, D.C., 20230. (Telephone: 202-WO 7-4065 or WO 7-5367).

WTD indicates that a World Trade Directory Report containing financial and business background information is available on the foreign firm proposing the investment opportunity. Copies are $1 each from the Bureau of International Commerce, (BIC-8120) Room 6059B, Department of Commerce, Washington, D.C. 20230.

ADVANCED METAL FORMING

Manufacturer of hydraulic components for industry and aerospace and rubber and plastics seeks licenses in the fields of advanced metal forming such as sintered metal techniques, coldforming and impact extrusion.

Write: B.T.R. Industries, Ltd., Herga House, Vincent Sq., London, SW.1, England. WTD.

CHEMICALS, PHARMACEUTICALS

Manufacturer of tobacco extracts and nicotine seeks arrangements with U.S. firm to manufacture in Switzerland chemical-technical or pharmaceutical products.

Write: Herkules AG, 5737 Menziken, Switzerland. WTD.

ADHESIVES

License sought for the production or transformation in Belgium of adhesives, such as masking tape, to cover the needs of Belgium, Holland and Luxembourg.

Write: Etablissements Maurice Saintes S.P.R.L., 107-113 Rue de Belle-Vue, La Louivere, Belgium.

Indian makes two joint venture offers

A leading Bombay sugar refiner proposes joint ventures to establish a plant to manufacture rutile and anatase grades of titanium dioxide by chlorination and chloride processes, and to set up a chipboard plant to utilize its waste sugar cane bagasse.

The firm has Government approval for both projects and seeks U.S. technical know-how, equipment, machinery and possibly the services of technicians in the initial stages of production.

The cost of the two ventures and the form and terms of compensation to the firm supplying the technical know-how and machinery is to be determined in consultation with the Indian firm.

Plans for the titanium dioxide venture call for an initial annual capacity of 6,000 metric tons to be increased eventually to 10,000.

Raw materials available

A higher capacity would be considered if justified by the economies of production. Adequate supplies of raw materials —ilmenite, chlorine and industrial oxygen—are said to be available in and around Bombay.

The chipboard proposal calls for a plant with a daily capacity of 30 metric tons on a three-shift basis, to be increased eventually to 60 metric tons. In addition to having an adequate supply of bagasse, the other raw material required, urea formaldehyde, is reported to be available.

Write: Phaltan Sugar Works, Ltd., Sangli Bank Bldg., 296 Bazargate St., Fort, Bombay 1, India.★

LICENSING ARRANGEMENT

A large and established company of mechanical and electrical engineers manufacturing brewery, bottling, distilling, dairy, electrical and mining equipment wishes to negotiate with U.S. firms for an arrangement to manufacture in the United Kingdom bottling, labelling, corking and specialized dairy machinery (cheese making) of high output and automatic unit type. Company also interested in a cross licensing arrangement.

Write: J. W. Flowers & Co., (Engineers), Ltd., "Eclipse" Works, Wimbourne, Dorset WTD.

Honduran marble venture calls for U.S. participation

San Pedro Sula firm needs financial, managerial help

A new firm in San Pedro Sula, Honduras, with plans to quarry, cut, polish and export marble blocks and slabs seeks a U.S. firm to share in the project on a joint venture basis.

Financial and managerial participation is requested of the U.S. collaborator. The Honduran firm proposes an investment by the U.S. firm of $125,000 which would bring the paid in capital of the firm up to $250,000. Technical assistance is not required. However, the U.S. party should ideally settle in San Pedro Sula and participate in the management of the operation.

Estimated production during the first year is projected at 1,000 square meters of marble a month, and 1,500 during the second year of production. First year sales volume is calculated at $360,000.

The Honduran firm claims to have four quarries in the vicinity of the Sula Valley, although to date only the claim for one quarry has been officially processed by the Government. The other claims are expected to be approved shortly.

A site for processing the marble has been purchased next to a railroad that runs to the Caribbean port of Puerto Cortez. Some machinery has been purchased and a small building for the cutting and polishing operations is half completed.

The firm has received a concession from the Government, which under the Industrial Development Law allows it to import machinery and other items free of duty for 10 years and exempts it from income taxes for five years.

Write: Marmolera Hondurena, S.A. de C.V., 3a Ave. N.O. No. 32, San Pedro Sula, Honduras.

MACHINERY

License sought for production of packaging machinery (automatic or manual), special purpose machine tools, vacuum forming machine, and woodworking machinery.

Write: Brookside Engineers, Ltd., Springfield Dr., Westcliff-on-Sea, Essex, England. WTD.

Ecuador publishes investment studies

Ecuador's Industrial Development Center has prepared and released five detailed studies in Spanish covering extraction of vegetable oil from rice flour, production of insecticides, vinyl tile, animal feeds and possibilities for spice grinding.

The studies are available in Spanish only.

Interested U.S. businessmen wishing copies and other information on the advantages of industrial investment in Ecuador, **write:** Ing. Galo Montano, Executive Director, CENDES, Casilla Postal No. 2321, Quito, Ecuador.

Greek wants joint venture for television set assembly

An experienced electronics firm in Thessaloniki, Greece, is interested in a joint venture with a U.S. firm to set up a television set assembly operation.

According to the firm, there is an expanding market in Greece for television receivers since the Government plans to install a TV station in the near future. The firm believes that with its long experience in assembling other electronic devices, it would be successful in a TV assembly venture. Comparatively low labor costs in Northern Greece would be helpful in this respect.

Write: V. Karathanasis, 8 Pringipas Nicolaou St., Thessaloniki, Greece. WTD.

A carbon copy of the letter should be forwarded to the American Consulate General, 59 King Konstatine St., Thessaloniki, Greece.

Indian firm seeks license to make hand tools, joints

An Indian company requests a licensing agreement to manufacture forged automotive hand tools and universal cross-joints for automotive vehicles including tractors.

Technical assistance and possibly equipment will be needed from U.S. licensor.

The firm now produces various types of castings, agricultural implements, gear boxes, clutches and industrial power take-offs. In addition, it has an associated transport company which operates 120 trucks in Maharashtra and Mysore States.

Messrs. Jaykumar Patil and Vasant M. Ghatge, partners in the Indian firm, were due to arrive in New York June 28, for three weeks during which time they plan to visit Detroit, Toledo, Akron, Chicago, San Francisco, and Los Angeles.

For appointments to discuss these licensing proposals interested U.S. businessmen should write the Indian businessmen care of Twin Disc Clutch Co., Racine, Wis., with copies of letter mailed directly to: Ghatge and Patil Industries, Pvt., Ltd., Kolhapur, Maharashtra, India. WTD.★

Mexican plastics producer asks U.S. help in expansion

A Mexican manufacturer of plastic articles for industrial and home use would either like to obtain a license from a U.S. manufacturer or enter into a joint venture arrangement to produce plastic reels for tape recorders, parts for the electronic industry, tableware, containers for industrial and home use and bags.

The firm has equipment to manufacture many plastic articles and a complete shop to make the molds. Plastic articles are subject to import controls by the Mexican Government which have been imposed to protect local producers. The firm, organized in 1960, now has approximately 146 employees.

Details may be obtained directly from the firm.

Write: Rafael Pous Angelez, Director General, Mac'Co, S.A., 128 Poniente No. 788-A, Mexico, D.F., Mexico. WTDR.

Blue denim manufacturing license sought by Moroccan

A Moroccan textile firm seeks licensing or a technical cooperation agreement with a U.S. manufacturer of blue denim.

The owner of the firm is an engineer who has specialized in the textile industry and is part-owner of a weaving mill. He estimates the firm could produce 800,000 meters of blue denim a year. The production of blue denim would be for the local market as well as for export.

Write: Marc Benatar, Comptoir Industrial et Textile, 87 rue du Prince Moulay Abdallah, Casablanca, Morocco.

VENTILATING EQUIPMENT

Precision engineering firm seeks licenses for production of ventilating and air conditioning equipment for industrial, commercial and domestic purposes.

Write: T.E.M. Instruments, Ltd., Gatwick Rd., Crawley, Surrey, England. WTD.

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Western Nigeria sets road reconstruction

The Government of Western Nigeria is seeking international competition among fully qualified firms interested in the reconstruction of roads and bridges on the Idi-Ayunre-Ijebu-Ode Road, the Ondo-Ore Road and the Ife-Ondo Road.

To conform with World Bank practice, they plan to establish a "List of Prequalified Bidders," and invitations are extended to such qualified firms. Total cost of the project will probably exceed $11 million, and each individual road contract will not be less than $2.8 million. Other future contracts may include an additional 350 miles of construction work.

The above projects in order include 32 miles on Contract No. WR/RC/92; 24 miles—Contract No. WR/RC/94; and 38 miles on the Ife-Ondo Road—Contract No. WR/RC/95.

The specification covering the proposed works to be undertaken is of a high standard and includes the reconstruction and, where necessary, the re-alignment, of the existing road together with the improvement, construction or re-construction of culverts and bridges. The carriageway will have a stone base with bituminous top surface, 24 feet wide and have a border on each side five feet wide.

Firms wishing to be considered for inclusion in the "List of Prequalified Bidders, Contract WR/RC/92, 94 and 95" **write** to: The Chief Civil Engineer, Roads and Bridges Division, Ministry of Works and Transport, Private Mail Bag 5036, The Secretariat, Ibadan, Nigeria, West Africa for application Form MWT No. 245, which must be submitted before July 31.

An information copy pertaining to "Established List of International Prequalified Bidders" is available on loan to U.S. firms from the Building Materials and Construction Industries Division, Room 4014, BDSA (6460), Department of Commerce, Washington, D.C. 20230 (Telephone: 202-967-3601).

Algeria invites tenders for asphalt road work

The Government of Algeria is inviting international bids on approximately 155 miles of asphalt desert highway on Route Bechar-Tindouf.

The project's documents can be inspected in Algiers or interested contractors desiring to participate in the construction or the bidding should inform The American Embassy in Algiers or **write**: Des Travaux Publics et de L'Hydraulique Du Sahara, Immeuble le Colisee, Rue Zephirin Rocas, Algiers.

Tenders sought by Iraq for water supply project

The Government of Iraq has issued a tender for construction of a unified water supply scheme for the glass and ceramic factories and the Al-Warrar Army Camp in Ramadi. The capacity of the plant is to be 528,000 gallons per day.

Terms and specifications may be obtained from the Directorate General of Planning and Design, Ministry of Municipal and Rural Affairs, Baghdad, for $140 a copy, plus $7 air mail charges to the United States. The estimated cost of the project is ID 300,000 ($840,000), and includes construction and supply of a complete purification plant, pumping sets, filters, valves, pipes, pumping mains. The imported materials are estimated to comprise about 60% of the total project cost.

Deadline date for offering bids is September 7, 1965.

This type of contract is usually awarded to local contractors who are assisted in preparing their bids by foreign suppliers. U.S. firms may wish to contact Iraqi contractors specialized in these projects in order to submit offers for equipment needed.

A list of Iraqi contractors may be obtained by firms located in the United States from the Water Industries and Engineering Services Division, BDSA, Room 4111, Department of Commerce, Washington, D.C. 20230. This Division also has one set of contract documents which are available for review in that office.

Uruguay extends deadline

Uruguay's Ministry of Public Works (MOP) extended the bid deadline on National Highway Routes 5 and 26, MOP Numbers 64 and 65 from June 16 to 11 a.m. July 29.

The above MOP Nos. cover reconstructing about 175 miles on the final Sections 1, 2 and 3 of Route 5 and Section A of Route 26 (INTERNATIONAL COMMERCE, May 3, p. 38).

This postponement does not affect the bid opening dates for the other stretches of these roads, MOP Nos. 70 and 71. (INTERNATIONAL COMMERCE, June 14, p. 62).

South African manufacturer to make melamine articles

A South African firm, currently operating as an importer, retailer, and wholesaler, plans to manufacture cups, saucers, plates, and other dishware of melamine or similar material. It would like to receive quotations and information on raw materials, machinery, and miscellaneous equipment.

The list of requirements includes plastic products such as melamine resins, decoration foil, molds, tableting machines, high frequency warming machines, heat presses, machines for polishing edges of finished pressings, temperature and pressure controls.

The finished product, which should be practically unbreakable, must resemble good white china. It must not discolor and decorations must not fade or wash off; it should be resistant to scratches, dry heat, and moist heat. The firm is interested only in high quality materials.

Machinery may be new or used, but must be in first class condition. Offers should include complete technical descriptions and details regarding the functions which the machines can handle. They should state whether installation of machinery and training of operating personnel would require the services of a factory technician and whether maintenance facilities and technical advice would be available in South Africa.

Interested suppliers should direct correspondence to Dietmar Droste, P.O. Box 11094, Johannesburg.

Greece asks tenders for radio equipment

The Purchasing Department, Public Power Corp., a government agency, has issued three tender invitations calling for various quantities of AM and FM communications transceivers. Bid deadlines for these tenders have not been announced; however, loan copies of the specifications are now available to firms located in the United States from the Electronics Division, Room 4117, Department of Commerce, Washington, D.C. 20230, telephone 202 967-4036.

Tender No. DEPM-2741/2896 calls for AM/SSB communications transceivers, 12 each for 110-220-v, 50-cycle operation and six each for 12 VDC operation. The equipment is to operate in the 2.3 to 15 mc/s range, 4 or 6 crystal controlled frequencies. Power output for the base stations is to be 100 to 150 watts P.E.P. The stations are to be complete with antenna, selector, matching units, coupler, spare crystals and spare parts.

The vehicular units should be transistorized, operate in the same frequency band, four or six crystal controlled frequencies, transmitter output 100 to 150 watts P.E.P. Units will be furnished complete with antenna and spare parts.

Tender No. DEPM-3293/3350 calls for furnishing various quantities of FM mobile and base station equipment.

Wanted are 25 each FM mobile, 12 VDC, 25- to 30-watt, transistorized, remote controlled units; 15 each personal portable, dual channel, 1- to 1.5-watt output 3.5 lbs. maximum weight; six each 80- to 100-watt base stations; and six each remote relay stations, as well as measuring instruments and special tool for servicing this equipment.

The equipment is to operate in the 150 to 174 mc/s frequency range. Also required are 10 each portable FM transceivers, 8- to 10-watt output, 12 lbs. maximum weight, with recharge battery power supplies.

Tender No. DEPM 2764 calls for equipment similar to the above, in the following quantities: 25 each mobile FM radio telephones, 25-30 watts; 19 each personal portable FM transceivers 1 to 1.5 watts, 3.5 lbs; six each base stations and six each relay stations, all to operate on 150-174 mc/s.

Bid deadlines for these tenders will be announced soon.

Bids invited in Korea for VHF phone equipment

The Office of Supply, Government of the Republic of Korea, Seoul, has issued Tender No. KFX-5067-S, with a deadline of July 5, for VHF radio telephone equipment to be used for radio telephone service at island stations, and to provide a telephone channel with full duplex operating radio system. Equipment is to include six 50-watt and nine 25-watt transmitters with operating frequency range of 152-174 mc.

Loan copies of the bid terms and conditions are available to firms located in the United States from the Electronics Division, BDSA-6420, Rm. 4117, Department of Commerce, Washington, D.C. 20230, Telephone 202 967-4036.

Iraq plans enlargement of water supply scheme

The Iraqi Government invites qualified tenderers to participate in bids for the enlargement of Sa'ad Camp Water Supply Scheme. Terms and specifications may be obtained from the Directorate of Military Works, Ministry of Defense, Baghdad, for $56 per set.

The 600,000 gallon per 8 hrs. plant to be constructed includes pressure filters, chemical feeders, clarifying and flocculation tanks, flash mixers, pumps, a 200,000-gallon elevated tank, and other appurtenances.

Bid deadline is Aug. 8. Tenderers are required to inspect the site and to submit a cash deposit of ID 12,000 ($33,600) or an Iraqi bank guarantee with their offers.

This is the type of project usually awarded to local contractors, who may be assisted in preparing their bids by foreign suppliers of materials and equipment. U.S. firms may wish to contact Iraqi contractors specializing in these projects in order to submit offers for equipment needed.

A list of Iraqi contractors is available to firms located in the United States through the Water Industries and Engineering Services Division, BDSA, Room 4111, Department of Commerce, Washington, D.C. 20230. The Division also has one set of contract documents and specifications for this project which may be reviewed in that office.

NATO pier construction work planned in Italy

The Italian Ministry of Defense has announced a NATO project (No. 89) calling for the building of a pier and relative works under the international competitive bidding procedure (ICB).

U.S. firms who are certified eligible to participate in NATO-ICB must request to bid and submit their qualifications on a specially designated questionnaire to the Ministero Difesa—Marina, Rirez. Generale Genio Militare, Rome, Italy, not later than July 15.

A copy of the Ministry's official notification and its questionnaire are available to U.S. firms from the Department of Commerce's Trade Opportunities Staff, BDSA-6192, Washington, D.C. 20230 (Tel. 202-WO 7-4674). Information about NATO international competitive bidding is also available from the Staff.

Ceylon extends bid deadline

The Department of Electrical Undertakings for the Ceylon Government has issued an amendment and drawings and has again extended the bid deadline to June 30 instead of June 15 for interested firms to bid on the construction of Stage 1 of the Maskeliya Oya Hydro-electric Project and the contract No. 5 tunnel and surge shaft under the above hydro-electric project (INTERNATIONAL COMMERCE, May 24, p. 50).

Deadline for bids to the Chairman, Tender Board, Ministry of Land, Irrigation and Power, Colombo, is 2 p.m. Ceylon Standard Time, June 30.

A copy of the tender notice is available on loan to firms in the United States from the Building Materials and Construction Industries Division, Room 4014, BDSA-6460, Department of Commerce, Washington, D.C. 20230 (Telephone: 202 967-3601).

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classification. These numbers refer to the Standard Industrial Classification (SIC) Manual, which is available for $2.50 a copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any resultant trade relations.

The listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the Comprehensive Export Schedule or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

● indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the Trade Opportunities Staff, BDSA-6192, Department of Commerce, Washington, D.C. 20230. The T.M. (trade mission) number is requested in correspondence. Requests for loan material should specify country and T.M. number.

WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $1 each from the Bureau of International Commerce, BIC-8120, Department of Commerce, Rm. 6059 B. Telephone: 202-WO 7-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

Leads for Exporters

Listed below are companies interested in buying U.S. products. Direct purchases are wanted unless otherwise indicated. Approximate foreign tariff rates and customs applicable to the products listed below may be obtained from the Department of Commerce or the Department of Commerce field offices.

011 Field crops

PAKISTAN—Cauliflower (early and late varieties), cabbage (early and late varieties), knolkhol, tomato, carrot, beet, turnip, lettuce (cabbage type), kholrabi, pea (marro fat), capsicum, butter bean, and sweet corn seed of highest quality and percentage of germination, of varieties grown in the southern region of the U.S.; requests quotation by cable followed by detailed offers by letter for 902 lbs. of such seed; early varieties of seed should reach Chittagong Port by the first week of July, late varieties by the first week of August, 1965; additional data available on loan from Trade Opportunities Staff, BDSA-6192, Rm. 4203, Department of Commerce, Washington, D.C. 20230. East Pakistan Agricultural Development Corp. (quasi-government agency), 58 Motijheel Commercial Area, Dacca 2.

012 Fruit, nuts, vegetables

BELGIUM—Fresh fruits, all kinds. Agrofruit Company Belgium P.V.B.A. (importer, wholesaler, exporter), 167 Italielei, Antwerp. WTD 6/11/65.

200 Food products

AFGHANISTAN—Non-perishable items, mainly foodstuffs, for sale in supermarket. Aziz Supermarkets, (exporters-importers), Karte Perwan, Kabul. WTD 5/26/65.

201 Meat products

FRANCE—Quick-frozen meat products (cuts from beef and other bovine animals), primarily: quick-frozen livers (choice products) and tongues, brains, and kidneys (heifer- and beef-). Also choice quality brains (lamb- and mutton) and related meat cuts in packages of 6.5 lbs to 20 lbs., approximately. Requests price quotations preferably from U.S. firms having representatives or import agents in France; requests replies in French. J. Arnaud (Etablissements) (wholesaler), 4 Rue Jacques-Roudil, Toulouse, Haute-Garonne. WTD 3/18/64.

TRINIDAD—Frozen meats; other meat products. Direct purchase and agency. Harold Assam & Sons (importers, wholesalers, commission merchants), 28 Prince St., Port of Spain. WTD 5/3/65.

202 Dairy products

PAKISTAN—Dried nonfat powdered milk; requests quotations c&f, Karachi; direct purchase and agency. Engineering & Trading Corp. (Pakistan), Ltd., (importer, agent), 513 Quamar House, Bunder Rd., Karachi. WTD 1/20/65.

204 Grain mill products

JAMAICA—Yellow corn, U.S. No. 2, cracked and whole, in new or used jute bags of 100 lb. net. Albert Wong & Sons, Ltd. (commission agents), 47 West St., Kingston. WTD 6/7/65.

JAPAN—Additives for animal feed. Shima Trading Co., Ltd. (importer, exporter, wholesaler), 10 Koraibashi 4-chome, Higashi Ku, Osaka. WTD 9/28/64.

220 Textile mill products

ITALY—Fabrics of cotton, silk, rayon. Arnaud & Colombo (importer, wholesaler), Via Principe Tommaso 28, Torino. WTD 6/4/65.

Cotton, rayon, silk fabrics; upholstery materials. Avigdor C. & Figli (importer, wholesaler), Via Mazzini 42, Torino. WTD 6/3/65.

SWEDEN—Medium-priced fashion fabrics for skirts and dresses. AB Motti Konfektion (manufacturer), Kungsgatan 17-21, Jonkoping. WTD 6/9/65.

221 Broad woven fabrics, cotton

GERMANY—Cotton and cotton/synthetic fabrics. G. Koppermann & Co. (importer, sales agent), Ost-West, Str. 2, Hamburg 1. WTD 2/1/64.

ITALY—Cotton fabrics, bath towels, sheets. Olivero C. F. & C. (retailer), Via XX Settembre 54, Torino. WTD 6/3/65.

PAKISTAN—Bookbinding cloth, 38″/42″ wide, in 18/20 yd. rolls, assorted colors and designs. Lalla & Co. (importer, distributor), 3 Hospital Rd., Lahore, West. WTD 6/4/65.

222 Broad woven fabrics, man-made fiber

GERMANY—Synthetic or cotton/synthetic fabrics. G. Koppermann & Co. (importer, sales agent), Ost-West Str. 2, Hamburg 1. WTD 2/1/64.

224 Narrow fabrics, other smallwares

PAKISTAN—Cotton fabric tapes for binding. Samanda Sons, Ltd. (manufacturer), Charan Das/Mujahid Rd., P.O. Box 56, Sialkot 1, West. WTD 6/2/65.

227 Floor covering

VENEZUELA—Tufted carpets and rugs; woven carpets and rugs; carpets, rugs, mats, of various materials. Requests replies in Spanish. Mosberg, S.A. (sales agent, distributor), Apartado 9290, Edificio Casa Bera, Apt. 403, Avenida Urdaneta 119, Caracas. WTD 5/25/65.

228 Yarn, thread

PAKISTAN—Silk yarn; requests quotations c&f Karachi; direct purchase and agency. Deens (importer, agent), 4 Forbes Bldg., Dunolly Rd., Karachi.

Twisted yarn for use in sports industry. Ghuman Sports (manufacturer), Old Post Office Rd., Sialkot City, West. WTD 6/2/65.

229 Textile goods

FRANCE—Thread for shoe industry; requests replies in French; direct purchase and agency. Ets. Jikammer (manufacturer, wholesaler, importer, exporter), 4 rue Neuve Notre Dame, Versailles (Seine & Oise). WTD 12/6/63.

Thread for shoe industry; requests replies in French; direct purchase and agency. Alfred Cheron (importer, wholesaler, exporter), 20 rue Biot, Paris 17e. WTD 12/6/63.

MOROCCO—Plastic impregnated fabrics, such as PVC composition or "Skai" type. Quotations Casablanca. Omnium Africain d'Echanges Internationaux (importer), 80 Boulevard Lalla Yacoute, Casablanca. WTD 12/16/64.

PAKISTAN—Nylon gut, spiral gut: 80, 120, 140 mm; all colors; for sporting goods rackets Samanda Sons, Ltd. (manufacturer), Charan Das/Mujahid Rd., P.O. Box 56, Sialkot 1, West. WTD 6/2/65.

234 Women's, misses', children's, infants' undergarments

IRAQ—Women's and children's underwear and nightwear, all kinds. Direct purchase and agency. Said Bello (importer, wholesaler, agent), P.O. Box 53, Mosul. WTD 6/11/65.

242 Sawmill, planing mill products

JAPAN—Walnut gunstock blanks. Nanri Trading Co., Ltd. (importer, exporter, manufacturer), 9 Isobe-dori 1-chome, Fukiai Ku (Port P.O. Box 64), Kobe. WTD 8/11/61.

PAKISTAN—Timber: willow, beech, ash. Ghuman Sports (manufacturer), Old Post Office Rd., Sialkot City, West. WTD 6/2/65.

White ash and kiln-dried beech, lengths 5 ft., thickness 1″, widths 2″ to 16″. Samanda Sons, Ltd. (manufacturer), Charan Das/Mujahid Rd., P.O. Box 56, Sialkot 1, West. WTD 6/2/65.

243 Millwork, veneer, plywood

BELGIUM—Plywoods and veneers. Houthandel CALLENS n.v. (importer, wholesaler, sawmill), 106 Kortrijkstraat, Izegem. WTD 6/10/65.

PAKISTAN—Plywood for use in manufacturing sporting goods. Ghuman Sports (manufacturer), Old Post Office Rd., Sialkot City, West. WTD 6/2/65.

249 Wood products

FRANCE—Shoe lasts, forms and fittings; requests replies in French; direct purchase and agency. Ets. Jikammer (manufacturer, wholesaler, importer, exporter) 4 rue Neuve Notre Dame, Versailles (Seine & Oise). WTD 12/6/63.

Shoe lasts, forms and fittings; requests replies in French; direct purchase and agency. Alfred Cheron (importer, wholesaler, exporter), 20 rue Biot, Paris 17e. WTD 12/6/63.

PAKISTAN—Cork for use in sports industry. Ghuman Sports (manufacturer), Old Post Office Rd., Sialkot City, West. WTD 6/2/65.

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251 Household furniture

PAKISTAN—Cane chair—reed or rattan. Samanda Sons, Ltd. (manufacturer), Charan Dass/Mujahid Rd., P.O. Box 56, Sialkot 1, West. WTD 6/2/65.

252 Office furniture

BELGIUM—Metal and wooden office furniture. N. V. Hansma (importer, wholesaler), 12 Lange Nieuwstraat, Antwerp. WTD 6/11/65.

259 Furniture, fixtures

SWEDEN—High or medium-priced restaurant and bar fixtures; direct purchase and agency. AB Ishammars Rostfria Inredningar (wholesaler, agent), Lundavagen 11B, Malmo O. WTD 6/9/65.

262 Paper

● **EL SALVADOR**—White bond paper, 1600 reams of 500 sheets each ream. Tender No. 69(65), bid deadline July 6. Correspondence preferred in Spanish. Proveeduria General de la República, Avenida España 613, San Salvador. Specifications in Spanish.★ (Telephone 202-WO 7-3003).

PAKISTAN—Tissue paper, 20″ x 30″; cellophane, 20″ x 30″. Sundal Surgico (manufacturer), Majidpura, Sialkot 1, West. WTD 6/2/65.

Paper 20″ x 30″, 30/40 grams; onion skin 17″ x 27″; novelty printing paper of various sizes and weights. Pakistan Industrial Enterprises, Ltd. (manufacturer), Alkush Bldg., Bank Square, The Mall, Lahore, West. WTD 6/2/65.

Tissue paper; kraft paper, 20″ x 30″ sheets. Samanda Sons, Ltd. (manufacturer), Charan Das/Mujahid Rd., P.O. Box 56, Sialkot 1, West. WTD 6/2/65.

Tissue paper, cellophane, art (label) paper, all in 20″ x 30″ size. Khyber Industries (manufacturer), Abbot Rd., Sialkot 1, West. WTD 6/1/65.

Blank: white 18″ x 23″, 17″ x 27″, 16½″ x 26½ ″ 45/48 grms; art: white, woodfee and part mechanical two sides coated, sizes 20″ x 30″, 23″ x 36″, in 90, 100, 120 grms.; offset optical bleached: sizes 30″ x 40″, 20″ x 30″, 28″ x 34″, 23″ x 36″ in 80, 90, 100, 120 grms.; check: sizes 19″ x 24″ or mill standard size in 70/75 grms; pure vegetable parchment: size 20″ x 30″ in 40/41 grms; white bleached glassine: size 20″ x 30″, 30 grms., transparent quality; colored morocco: size 20″ x 30″ in 70/75 grms., assorted colors; white tissue: machine finished, acid free size 20″ x 30″ in 17 grms., assorted colors (dark); machine glazed ribbed kraft: sizes 29″ x 44″, 36″ x 46″ in 40 grms., and above, also in reels with 36″ x 44″ width, color golden shade; machine glazed tissue: size 20″ x 30″ in 17 grms., in assorted dark colors; art card: black center both sides glaced sizes 22″ x 28″ 250/300 grms. fancy white card (ivory): sizes 22″ x

28″ 200, 210, 220, 230, 250, and 300 grms. Lalla & Co. (importing distributor), 3 Hospital Rd., Lahore. WTD 6/4/65.

263 Paperboard

● **TURKEY**—50 tons of cardboard for manufacturing playing cards. Dimensions: 46 x 65 cm. Weight: 320-330 grams per square meter. Bid deadline July 9. Turkiye Kizilay Dernegi Genel Mudurlugu, Ankara.★ (Telephone 202-WO 7-3003).

264 Converted paper, paperboard products

PAKISTAN—Boxed stationery; stationery paper, packaged; social and wedding announcement stationery, with envelopes. Lalla & Co. (importer, distributor), 3 Hospital Rd., Lahore, West. WTD 6/4/65.

273 Books

PAKISTAN—Books, comic; periodicals, journals, magazines; requests quotations c&f Karachi; direct purchase and agency. Paramount Book Stall (importer, agent), Preedy St., P.O. Box 7443, Karachi 3. WTD 1/5/65.

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281 Industrial chemicals

BELGIUM—Hexachlorethane and chloroacetophenone. Donck n.v. (importer, exporter, wholesaler, manufacturer), 1 Terlochtweg, Hemiksem, Antwerp. WTD 6/11/65.

● **CEYLON**—Sulfuric acid for electrolytic solutions (storage battery use), specific gravity 1.828, strength 93.2% minimum, 3,600 imperial gallons, packed in five gallon straight sided carboys. Bid deadline July 28. The Chairman, Tenders Board, The Ceylon Transport Board, Kirula Rd., Narahenpita, Colombo. Copies of the necessary forms and specifications may be obtained from U.S. Embassy, Colombo.

FRANCE—Dyes for shoe industry; requests replies in French; direct purchase and agency. Ets. Jikammer (manufacturer, wholesaler, importer, exporter), 4 rue Neuve Notre Dame, Versailles (Seine & Oise). WTD 12/6/63.

● **IRAQ**—Aluminum sulfate in kibbled form, 100 m. tons; bleaching powder, 30% chlorine, 50 drums (metal) of 112 lbs. each; liquid chlorine, 15 drums of 813 kilos each and 160 cylinders of 150 lbs. each; liquid ammonia, 40 cylinders of 150 lbs. each. Tender No. 104/65; bid deadline July 8. Iraqui Ports Administration, Basra.★ (Telephone 202-WOrth 7-2008).

JAPAN—Raw materials for cosmetics, such as ultra violet ray absorbers; intermediates for pharmaceutical uses; polymers of unique characteristics, such as anti-discoloration of plastic products. Shima Trading Co., Ltd. (importer, exporter, wholesaler), 10 Koraibashi 4-chome, Higashi Ku, Osaka. WTD 9/28/64.

PAKISTAN—Duponal, M.E. dry acetone; NDGA antioxidant; sucryl sodium pure white powder; Span 80. Albert David (Pakistan), Ltd. (manufacturer), 52 Motijheel Commercial Area, Dacca-2, aEst. WTD 8/21/64.

Synthetic perfume materials. Fazal Din & Sons (importer, distributor), 53 The Mall, Lahore, West. WTD 6/9/65.

Chemicals, all kinds for use in textile industry; requests quotations c&f Karachi; direct purchase and agency. Agha Yusuf & Sons (indent agent), 9 Chartered Bank Chambers, McLeod Rd., Karachi 3. WTD 1/7/65.

Zinc oxide pigments, white only. Samanda Sons, Ltd. (manufacturer), Charan Das/Mujahid Rd., P.O. Box 56, Sialkot 1, West. WTD 6/2/65.

Urea, 50,000 tons, ammonium sulphate and ammonium nitrate 50,000 tons. Quotation required by July 1. Pakistan Industrial Enterprises, Ltd. (manufacturer), Alkhush Bldg., Bank Square, The Mall, Lahore 2, West. WTD 6/2/65.

Chemicals for use in textile and leather industries. Direct purchase and agency. Requests quotations c&f Karachi. Orient Impex International (importer, agent), 18-19 Rehman Court, Plaza Square, Bunder Rd., Karachi 3. WTD 2/19/65.

Printing plate and block machinery chemicals. Lalla & Co. (importer, distributor), 3 Hospital Rd., Lahore, West Pakistan. WTD 6/4/65.

Polishing salts, lustre salts, for polishing stainless steel surgical instruments. United Surgical Works (manufacturer), Khadim Ali Rd., Sialkot 1, West. WTD 6/4/65.

Nickel polishing compounds, salts and lustre. Sandal Surgico (manufacturer), Majidpura, Sialkot 1, West. WTD 6/2/65.

Nickel compounds, lustre, chrome salts, chrome lustre, for use in nickel polishing composition. Khyber Industries (manufacturer), Abbot Rd., Sialkot 1, West. WTD 6/1/65.

282 Synthetic materials

GERMANY—Synthetic fibers of all types, particularly for the production of cloth, blankets, carpets. Direct purchase or agency; desires exclusive representation. Gottfried Rueppel (importer, exporter, wholesaler), 60/62 Langenstrasse (P.O. Box 549), 28 Bremen 1. WTD 6/10/65.

PAKISTAN—Plastic sheets; thermoplastic molding compounds. Direct purchase and agency. Requests quotations c&f Karachi. Orient Impex International (importer, agent), 18-19 Rehman Court, Plaza Square, Bunder Rd., Karachi. WTD 2/19/65.

PVC powder, plastic resin; requests quotation c&f Karachi; direct purchase and agency. Home Kraft Leather Cloth Industries (importer, manufacturer), Ritz Cinema Bldg., Bunder Rd., Karachi. WTD 1/18/65.

Polyvinyl pyrrolidine for tablets. Albert David (Pakistan), Ltd. (manufacturer), 52 Motijheel Commercial Area, Dacca 2, East. WTD 8/21/64.

283 Drugs

AUSTRALIA—Pharmaceuticals, particularly those used in dermatology. One product of special interest is a fluorinated cortico-steroid for topical use. Phial Australia Pty., Ltd. (wholesaler, manufacturer), 7 West St., P.O. Box 288, North Sydney, N.S.W. WTD 6/7/65.

● **CEYLON**—Pharmaceuticals, mostly vitamins, in injectable, tablet and capsule form, as follows: injection of ascorbic acid (vitamin C) USP, 500 mgm x 5 cc, 62,000 ampoules in boxes of 50 ampoules; multivitamins, each tablet containing at least 2500 I.U. vitamin A, 1 mgm aneurin hydrochloride (vitamin B1), 1 mgm riboflavin (vitamin B2), 10 mgm nicotinamide, 25 mgm ascorbic acid, 300 units vitamin D antirachitic activity, 41,000,000 coated tablets in polyethylene bags of 5,000 tablets; injection of vitamin B12 (cyanocobalamin) B.P., 600,000 ampoules in boxes of 100; vitamin B complex suitable for intramuscular and intravenous injection, 145,000 rubber capped multidose vials in boxes of 10 vials; multivitamin drops, each cc containing 5,000 units of vitamin A, 500 units of vitamin D, 2 mgm of aneurin hydrochloride, 2 mgm of riboflavin, 2 mgm of pyridoxine hydrochloride, 2 mgm of pantothenic acid, 20 mgm of nicotinamide and 50 mgm of ascorbic acid, 50,000 bottles x 15 cc; and phenytoin sodium B.P., 100 mgm, 3,000,000 capsules in air tight screw capped bottles of 1,000 caps. Bid deadline Aug. 24. Department of Health, Director of Health Services (Supplies), No. 355, Deans Rd., Colombo 10.★ (Telephone: 202-WO 7-3394).

PAKISTAN—Pharmaceuticals for human use; druggists' preparations and specialties; vaccines; veterinary pharamaceuticals. Fazal Din & Sons, Ltd. (importer, distributor), 53 The Mall, Lahore, West. WTD 6/9/65.

Drugs and medicines, pharmaceutical preparations of all kinds. Requests quotations c&f Karachi. Direct purchase and agency. Orient Impex International (importer, agent), 18-19 Rehman Court, Plaza Square, Bunder Rd., Karachi 3. WTD 2/19/65.

284 Soap, detergent, cleaning preparation, perfume, cosmetics

FRANCE—All kinds of cleaning products and polishes for shoes; requests replies in French; direct purchase and agency. Ets. Jikammer (manufacturer, wholesaler, importer, exporter), 4 rue Neuve Notre Dame, Versailles (Seine & Oise). WTD 12/6/63.

JAPAN—Odor controllers and deodorizers; disinfectants of all kinds. Shima Trading Co., Ltd. (importer, exporter, wholesaler), 10 Koraibashi 4-chome, Higashi Ku, Osaka. WTD 9/28/64.

PAKISTAN—Toilet preparations, all kinds. Household insecticides. Fazal Din & Son (importer, distributor), 53 The Mall, Lahore, West. WTD 6/9/65.

Polishes, white clear. Samanda Sons, Ltd. (manufacturer), Charan Das/Mujahid Rd., Sialkot 1, West. WTD 6/2/65.

285 Paints, varnishes, lacquers, enamels, allied products

● **KOREA**—Inertol 49 W thick or equal for coating drinking water pipe, 456 drums (25 kgs each); white spirit drums (150 kgs each). Tender No. KFX-5065-P, bid deadline July 3, 10 a.m. Office of Supply, Government of the Republic of Korea, Seoul.★ (Telephone: 202 WO 7-3512).

PAKISTAN—Paints: cellulose coating, transparent. Khyber Industries (manufacturer), Abbot Rd., Sialkot 1, West. WTD 6/1/65.

286 Gum, wood chemicals

PAKISTAN—Guns for use in sports industry. Ghuman Sports (manufacturer), Old Post Office Rd., Sialkot City, West. WTD 6/2/65.

287 Agricultural chemicals

JAPAN—All kinds of pesticides and rodenticides; insect sterilizers. Shima Trading Co., Ltd. (importer, exporter, wholesaler), 10 Koraibashi 4-chome, Higashi Ku, Osaka. WTD 9/28/64.

PAKISTAN—Insecticides, fungicides, fumigants (household, industrial, soil); requests quotations c&f Karachi; direct purchase and agency. Fertilizer, complete mixture, grades guaranteeing N, $P_2 O_5$; direct purchase and agency; requests quotations c&f Karachi. Agha Yusuf & Sons (indent agent), 9 Chartered Bank Chambers, McLeod Rd., Karachi 2. WTD 1/7/65.

Insecticides, pesticides, various types and quantities; direct purchase and agency; specifications available on loan from Trade Opportunities Staff, BDSA-6192, Rm. 4203, Department of Commerce, Washington, D.C. 20230. M. A. Yahya (importer, agent), 248 Bunder Rd., Karachi 2. WTD 9/3/63.

Agricultural insecticides. Fazal Din & Sons (importer, distributor), 53 The Mall, Lahore, West. WTD 6/9/65.

289 Chemical products

BELGIUM—Special printing inks. Ets. E. J. Berlijn (importer, wholesaler), 120 Drakenhofstraat, Deurne, Antwerp. WTD 6/11/65.

● **CEYLON**—Brake fluid, heavy duty hydraulic, conforming to SAE specification 70R3, 18,000 imperial gallons, in 5 to 6 gallon steel containers (non-returnable). Bid deadline July 28. The Chairman, Tender Board, Ceylon Transport Board, 200 Hirula Rd., Narahenpita, Colombo.★ (Telephone 202-WO 7-2067).

FRANCE—Glues for shoe industry; requests replies in French; direct purchase and agency. Ets. Jikammer (manufacturer, wholesaler, importer, exporter), 4 rue Neuve Notre Dame, Versailles (Seine & Oise). WTD 12/6/63.

Glues for shoe industry; requests replies in French; direct purchase and agency. Alfred Cheron (importer, wholesaler, exporter), 20 rue Biot, Paris 17e. WTD 12/6/63.

PAKISTAN—Printing ink for letter press, offset (lithographic) in assorted colors, blacks, blues, greens, yellows, reds, browns, white, and sundries such as driers over printing inks, duplicating inks lithographic ink. Lalla & Co. (importing distributor), 3 Hospital Rd., Lahore, West Pakistan. WTD 6/4/65.

Laboratory chemicals; reagents; serums. Essential oils. Fazal Din & Sons (importer, distributor), 53 The Mall, Lahore, West. WTD 6/9/65.

Arabic sudanese powder; 50 tons. Lalla & Co. (importer, distributor), 3 Hospital Rd., Lahore, West. WTD 6/4/65.

Powder and bone glue. Samanda Sons, Ltd. (manufacturer), Charan Das/Mujahid Rd., P.O. Box 56, Sialkot 1, West. WTD 6/2/65.

PERU—Glue, urea formaldehyde; quote in DIN specifications or equivalent, cif Callao. Madera Prensada S.A. (Mapresa) (manufacturer, importer, retailer, wholesaler), Casilla Postal 5551, Lima. WTD 5/27/65.

301 Tires, inner tubes

● **TAIWAN**—Tires and inner tubes, 1100 x 20, 200 each. Tender No. GF3G-21119(C), bid deadline July 8. Purchasing Department, Central Trust of China, 49 Wuchang St., Section 1, Taipei.★ (Telephone: 202-WO 7-3381).

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306 Fabricated rubber products

FRANCE—Rubber heels and soles; sheet rubber and rubberized fabrics for shoe industry; requests replies in French; direct purchase and agency. Ets. Jikammer (manufacturer, wholesaler, importer, exporter), 4 rue Neuve Notre Dame, Versailles (Seine & Oise). WTD 12/6/63.

Rubber heels and soles; sheet rubber and rubberized fabrics for shoe industry; requests replies in French; direct purchase and agency. Alfred Cheron (importer, wholesaler, exporter), 20 rue Biot, Paris 17e. WTD 12/6/63.

PAKISTAN—Hard rubber valves for football bladders, size 5 (BSS). Samanda Sons, Ltd. (manufacturer), Charan Das/Mujahid Rd., Sialkot 1, P.O. Box 56, West. WTD 6/2/65.

307 Plastic products

FRANCE—Plastic materials for manufacturing of heels and soles; plastic soling strips and other plastic findings for shoes; requests replies in French; direct purchase and agency. Ets. Jikammer (manufacturer, wholesaler, importer, exporter), 4 rue Neuve Notre Dame, Versailles (Seine & Oise). WTD 12/6/63.

Plastic materials for manufacturing of heels and soles; plastic soling strips and all plastic findings for shoe repairing; requests replies in French; direct purchase and agency. Alfred Cheron (importer, wholesaler, exporter), 20 rue Biot, Paris 17e. WTD 12/6/63.

PAKISTAN—Plastic rods. Ghuman Sports (manufacturer), Old Post Office Rd., Sialkot City, West. WTD 6/2/65.

Plastic rods, 2" dia.; plastic sheets, 3' x 4' x ¼". Khyber Industries (manufacturer), Abbot Rd., Sialkot 1, West. WTD 6/1/65.

Thermo plastic power and crystal, 10,000 tons. Pakistan Industrial Enterprises Ltd. (manufacturer) Alkhush Bldg., Bank Square, The Mall, Lahore, West. WTD 6/2/65.

311 Leather tanning, finishing

FRANCE—Leather for heels and soles; requests replies in French; direct purchase and agency. Ets. Jikammer (manufacturer, wholesaler, importer, exporter), 4 rue Neuve Notre Dame, Versailles (Seine & Oise). WTD 12/6/63.

Leather for heels and soles; requests replies in French; direct purchase and agency. Alfred Cheron (importer, wholesaler, exporter), 20 rue Biot, Paris 17e. WTD 12/6/63.

313 Boot, shoe cut stock, findings

FRANCE—Leather heels and soles, taps and other shoe cut stock and findings; requests replies in French; direct purchase and agency. Ets. Jikammer (manufacturer, wholesaler, importer, exporter), 4 rue Neuve Notre Dame, Versailles (Seine & Oise). WTD 12/6/63.

Leather heels and soles, taps and other shoe cut stock and findings for repairing purposes; requests replies in French; direct purchase and agency. Alfred Cheron (importer, wholesaler, exporter), 20 rue Biot, Paris 17e. WTD 12/6/63.

323 Glass products

ITALY—Glass laminated sheets for the building industry and for mirrors. Direct purchase and agency. Requests replies in French. F.lli Gorgellino (manufacturer, importer, wholesaler), Via Romagnosi, 3, Turin. WTD 6/8/65.

325 Structural clay products

AUSTRALIA—Ceramic wall and floor tiles, glazed and unglazed. Direct purchase and agency. Bowsers Applications Pty., Ltd. (building contractor, manufacturer), Attn. Mr. Valentine, National Bank Chambers, 180 Queen St., Brisbane, Queensland. WTD 8/19/63.

329 Abrasive, asbestos, nonmetallic products

PAKISTAN—Grinding stone, portable, for use in manufacture of stainless steel surgical instruments. Abrasives, metal and nonmetallic, for metalworking industry. United Surgical Works (manufacturer), Khadim Ali Rd., Sialkot 1, West. WTD 6/4/65.

Emery abrasives, BSS 1½-2, for woodworking. Samanda Sons, Ltd. (manufacturer), Charan Dass/Mujahid Rd., P.O. Box 56, Sialkot 1, West. WTD 6/2/65.

331 Steel mill products

PAKISTAN—Stainless steel sheets, size 8' x 3', gauges 20, 22, 24; wire rods, ¼" dia., 8 gauge. Sandal Surgico (manufacturer), Majidpura, Sialkot 1, West. WTD 6/2/65.

Stainless steel and carbon steel sheets, bars and rounds, for manufacture of stainless steel surgical instruments. United Surgical Works (manufacturers), Khadim Ali Rd., Sialkot 1, West. WTD 6/4/65.

Steel wheels, axles and tires for railroad locomotives and cars. Tender No. PIL/7/2-65, bid deadline July 14. Copy of tender notice may be examined in Room 4222, Iron and Steel Division, BDSA, Department of Commerce, Washington, D.C. Drawings and specifications, if required, can be obtained on application only from the Office of the Chief Controller of Purchase, Pakistan Western Railway Headquarters, Empress Rd., Lahore, at cost of Rs 3.00 and Rs 35.00, respectively. Cost of tender form, Rs 25.00.

Pig iron, foundry type, 5000 tons; billets 2" x 2", 2½" x 2½", 3" x 3", 10,000 tons; ms sheets 8' x 3', gauges 10 to 30, 500 tons; galvanized sheets 8' x 3', gauges 16 to 30, 10,000 tons; tin plate 18" x 24" and larger, base weight 107 lbs, 5000 tons; section joists, beams, shapes, blooms, and slabs, 5000 tons, spring steel wire, Birmingham (UK) gauge 1000 tons galvanized wire, 500 tons. Pakistan Industrial Enterprises Ltd. (manufacturer), Alkhush Bldg., Bank Square, The Mall, Lahore 2, West. WTD 6/2/65.

Stainless steel sheets; 8' x 3'; gauges 20, 22, 24. Wire rods, ¼" dia., 8 gauge. M.S. sheets; 8' x 4'; gauges 20, 22; bright, cold rolled, annealed. Galvanized sheets; 8' x 4'; gauges 24, 26. Tinplate; 20" x 30"; gauges 28, 30. Khyber Industries (manufacturer), Abbot Rd., Sialkot 1, West. WTD 6/1/65.

333 Primary smelting, refining of nonferrous metals

PAKISTAN—Zinc ingots, 99.5%; tin ingots, 99.5%; pure lead ingots. Khyber Industries (manufacturer), Abbot Rd., Sialkot 1, West. WTD 6/1/65.

Zinc sheets, 20" x 40", 16 gauge, face coated, highly polished. Aluminum sheets, sizes 8' x 3' and 8' x 4'; gauges 22, 24, 26; half hard, highly polished. Copper sheets, 22" x 28", gauges 16 and 18, face coated, highly polished. Lalla & Co. (importer, distributor), 3 Hospital Rd., Lahore, West. WTD 6/4/65.

Copper ingots 99.9%, electroletic, 500 tons; zinc ingots 99.9% electrolytic 500 tons. Tin ingots 100% pure 25 ton. Pakistan Industrial Enterprises Ltd. (manufacturer), Alkhush Bldg., Bank Square, The Mall, Lahore 2, West. WTD 6/2/65.

335 Rolling, drawing, extracting of nonferrous metals

★★ IRAQ—Trade Mission

Complete line of aluminum sections for fabrication of doors, windows, partitions. Haj Abdul Karim Ahmed & Co. (manufacturer), 85 D/1 Bustan Kubba, Baghdad. WTD 6/8/65. TM 24.

PAKISTAN—White metal sheets, 8' x 4'; gauges 20, 22, 24. Brass sheets, 8' x 4'; gauges 20, 22, 24. Pure nickel anodes. Khyber Industries (manufacturer), Abbot Rd., Sialkot 1, West. WTD 6/1/65.

VENEZUELA—Tube, copper-base alloy, used in refrigeration equipment. Distribution for entire Venezuela. Requests replies in Spanish. Larco, C.A. (importer, distributor, sales agent), Apartado 3975, Edificio Avila, Avenida Caroni, Colinas de Bello Monte, Caracas. WTD 5/28/65.

342 Cutlery, hand tools, general hardware

● **GREECE**—Clamps for wire ropes, including suspension angle clamps dead-end bolted clamps and other in large quantities. Tender No. DMKD-444/447/466, no bid deadline has been specified. Public Power Corp. (DEH), Purchasing Dept., 30 Chalkokondyli St., Athens 102.★ (Telephone: 202-WO 7-5589).

PAKISTAN—Steel files, round and flat, 6"-12". Samanda Sons, Ltd. (manufacturer), Charan Das/Mujahid Rd., P.O. Box 56, Sialkot 1, West. WTD 6/2/65.

Files, 6"-12", flat and round. United Surgical Works (manufacturer), Khadim Ali Rd., Sialkot 1, West. WTD 6/4/65.

343 Heating apparatus, plumbing fixtures

PAKISTAN—Pressure stoves, household types; stove parts and accessories. Direct purchase and agency. Requests quotations c&f Karachi. Orient Impex International (importer, agent), 18-19 Rehman Court, Plaza Square, Bunder Rd., Karachi. WTD 2/19/65.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

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344 Fabricated structural metal products

● **NEW ZEALAND**—Supply, deliver galvanized steel transmission line towers for Islington-Southbrook-Waipara 66-kv. line. Contract No. 461, deadline 4 p.m. July 27. Secretary, Tenders Committee, New Zealand Electricity Department, Private Bag, Wellington.★ (Telephone: 202-967-3601).

345 Screw machine products

PAKISTAN—Stainless steel screws, ⅛" to 1". United Surgical Works (manufacturer), Khadim Ali Rd., Sialkot 1, West. WTD 6/4/65.

346 Metal stampings

AUSTRALIA—All types of kitchen gadgets, such as knife holders (magnetic), vegetable peelers, etc. Direct purchase and agency. Marshall Rochaix Pty., Ltd. (wholesaler), 94 Petrie Tce., Brisbane, Queensland. WTD 12/18/63.

GERMANY—Tin plated and aluminum closures for preserve glasses. Requests quotations cif European ports. Joh. Moritz Rump (importer, manufacturer), Postfach 117, 599 Altena/W. WTD 5/26/65.

348 Fabricated wire products

PAKISTAN—Iron wire, 30 x 30 mesh, 50-yard rolls, 3' wide. Brass wire (40), in 100-yard rolls, 3' wide. Khyber Industries (manufacturer), Abbot Rd., Sialkot 1, West. WTD 6/1/65.

349 Fabricated metal products

CANADA—Pressure air valves (ball float type); air and vacuum valves; combination valves; suitable for municipal water systems, pipe sizes 1"-24". Direct purchase and agency. David A. R. Miller, Miller Fluid Engineering, Ltd. (manufacturers' agent), P.O. Box 55, Station B, Scarborough (Toronto), Ontario. WTD 6/8/65.

PAKISTAN—Stamping foils for embossing purposes. Samanda Sons, Ltd. (manufacturer), Charan Das/Mujahid Rd., P.O. Box 56, Sialkot 1, West. WTD 6/2/65.

351 Engines, turbines

PAKISTAN—Turbines and steam engines; requests quotations c&f Karachi. Direct purchase and agency. Modern Trading Co. (importer, agent), P.O. Box 7103, Ghafur Chambers, Victoria Rd., Karachi 3. WTD 2/10/65.

352 Farm machinery

PAKISTAN—Poultry equipment and necessary accessories; direct purchase and agency; requests quotations c&f Karachi. Agha Yusuf & Sons (indent agent), 9 Chartered Bank Chambers, McLeod Rd., Karachi 2. WTD 1/7/65.

353 Construction machinery

● **BURMA**—Nine concrete vibrators, petrol engine driven, 10-12000 VPM; 6 concrete vibrators, electric motor driven 230/400v 50-cycle 3-phase, 10-12000 VPM; 2 pile hammers approx. weight 3000 lbs., operated by compressed air. Tender No. 973/19/MACH 23/G-1 (64-65), bid deadline July 22. Divisional Manager, Machinery, Equipment, Tools & Spares Division, Peoples' Stores Corp., Rangoon.★ (Telephone: 202 WO 7-5566).

One rock drill motor driven by two-stroke gasoline engine with tool bits 70-80 lbs. with a 6v. battery. Tender No. 562/MACH-23/G-1(64-65), bid deadline July 20. Government of the Union of Burma, People's Stores Corp., Machinery, Equipment, Tools & Spares Division, 228/240 Strand Rd., Rangoon.★ (Telephone: 202-WO 7-5566).

● **INDIA**—16 battery locomotives, 25 tons operative weight. Tender No. T-66/PR/51407, bid deadline July 14. Chief Purchase Officer, Beas Purchase Organization, Talwara Township, Distt. Hoshiarpur, Punjab. Documents available from India Supply Mission, 2536 Massachusetts Ave., NW., Washington, D.C. 20008 (Ref.: D/Enq/1700), free of charge.

PAKISTAN—Mining, rock drilling, earth-boring equipment. Conveying equipment—cranes, hoists, derricks, elevators. Gasoline tractors, industrial types. Direct purchase and agency. Requests quotations c&f Karachi. Modern Trading Co. (importer, agent), P.O. Box 7103, Ghafur Chambers, Victoria Rd., Karachi 3. WTD 2/10/65.

Rollers, road; requests quotations c&f Karachi; direct purchase and agency. Engineering & Trading Corp. (Pakistan) Ltd. (importer, agent), 513 Qamar House, Bunder Rd., Karachi. WTD 1/20/65.

354 Metalworking equipment

● **INDIA**—Guillotine shear for mild steel and brass sheets up to ¼" thickness. Tender No. 202/16/011/23-4-65/T.E., bid deadline July 19. Roller and idler grinder, roller boring bar fixtures, tappet grinder, connecting rod boring and regrinding machine. Tender No. SWP-7/2221/047-A & 048-A/T.E., bid deadline July 23. Director General of Supplies and Disposals, National Insurance Building, Parliament St., New Delhi. Specification available from India Supply Mission, 2536 Massachusetts Ave., NW., Washington, D.C. 20008. Ref. Nos. D/ENQ/1762 and D/ENQ/1752, respectively. Fee $1.25 each, payable in advance.

● Crankshaft straightening press, 5-ton capacity; connecting rod straightening press. Tender No. SWP8/2221/051-A/T.E., bid deadline July 8. Directorate General of Supplies and Disposals, National Insurance Building, Parliament St., New Delhi. Tender documents available from India Supply Mission, 2536 Massachusetts Ave., NW., Washington, D.C. 20008. Ref. No. D/ENQ/1722. Purchase price $1.

● **IRAQ**—Lathe, 12" swing, 30" between center; lathe, 48" swing, 108" between center; vertical drilling machine 1½" drill capacity; external cylindrical grinding machine, 35" between center, 10" swing. Tender No. 65/PROD/1/5, bid deadline July 3. Directorate of Contracts and Purchases, Ministry of Defense, Baghdad. Tender documents may be obtained from Military Attache, Iraqi Embassy, Washington, D.C.

ISRAEL—Machine tools; sheets metal machinery. Direct purchase and agency. "Habinyan"—H. Ambor Ltd. (importer, agent), 61 Herzl St., P.O. Box 5067, Tel-Aviv. WTD 10/24/63.

PAKISTAN—Machine tools, accessories all kinds; requests quotations c&f Karachi; direct purchase and agency. Engineering & Trading Corp. (Pakistan), Ltd. (importer, agent), 513 Qamar House, Bunder Rd., Karachi. WTD 1/20/65.

Twist drills, metalworking, for use in manufacturing surgical instruments. United Surgical Works (manufacturer), Khadim Ali Rd., Sialkot 1, West. WTD 6/4/65.

SPAIN—Drilling machines, grinding and milling machines, lathes, drill chucks, centering lathes. Workshop tools and precision machine tools in general. Direct purchase and exclusive agency. Guilliet Hijos y Cia., S.A. (importer, wholesaler), General Mola 15, Madrid (1). WTD 6/10/65.

YUGOSLAVIA—Machine tools, sheets, tools for trucks manufacturing industry. Tam (manufacturer, exporter, importer), Maribor. WTD in preparation.

355 Special industry machinery

BELGIUM—Offset specialties, numbering devices, other items used in the printing industry. Ets. E. J. Berlijn (importer, wholesaler), 120 Drakenhofstraat, Deurne, Antwerp. WTD 6/11/65.

FRANCE—Shoe repairing machinery; requests replies in French; direct purchase and agency. Ets. Jikammer (manufacturer, wholesaler, importer, exporter), 4 rue Neuve Notre Dame, Versailles (Seine & Oise). WTD 12/6/63.

Shoe repairing machinery; requests replies in French; direct purchase and agency. Alfred Cheron (importer, wholesaler, exporter), 20 rue Biot, Paris 17e. WTD 12/6/63.

● **INDIA**—One complete sawing and sizing mill for mine timbers up to 15″ square and 25′ long, 500 cubic feet per 16 hour day capacity. Tender No. SWP/2221/049A/T.E., bid deadline July 8. Director General of Supplies and Disposals, National Insurance Building, Parliament St., New Delhi. Copies available for $0.75 each from the India Supply Mission, 2536 Massachusetts Ave., NW., Washington, D.C. 20008 (Ref: D/ENQ/1723).

IRAQ—Seeks equipment and technical advice in order to set up complete plant for production of fiber glass to be used as heat insulation material. Plant to have annual capacity of 50,000 square meters of fiber glass. Iraq Modern Trading Co., W.L.L. (agent, contractor), National Insurance Co. Bldg., Baghdad. WTD 5/6/65.

JAMAICA—Mechanical equipment, including plant and agricultural machinery, for the sugar industry. Direct purchase and agency. Federated Engineering Co. (importer), 15A Constant Spring Rd., Kingston 10. WTD in preparation.

NEPAL—Two automatic printing machines, each with a capacity of 3,000 pieces of paper per hour, one for 20″ x 30″ paper and the other for 10″ x 15″ paper. Requests catalogs, quotations cif Calcutta. Laxmi Printing Press (printing and publishing), Goswora Rd., Biratnagar. WTD in preparation.

PAKISTAN—Textile machinery parts: shuttles and wire heddles. Lalla & Co. (importer, distributor), 3 Hospital Rd., Lahore, West. WTD 6/4/65.

Small offset printing press, new or reconditioned, with accessories. Pakistan Industrial Enterprises, Ltd. (Manufacturer), Alkhush Bldg., Bank Square, The Mall, Lahore 2. WTD 6/2/65.

Weaving machinery, including automatic winding and warping equipment. Textile finishing machinery, overhead cleaners, metallic card clothing equipment, bobbins. Direct purchase and agency. Requests quotations c&f Karachi. Mechanica, Ltd. (importer, agent), 408 Qamar House, Bunder Rd., Karachi. WTD 1/28/65.

Lithographic equipment and materials, including halftone screens and lenses with prisms; deep etch process chemicals. Lalla & Co. (manufacturer), 3 Hospital Rd., Lahore, West. WTD 6/4/65.

Plywood plant: capacity 200 sheets per 8 hour shift 8′ x 4′ in 3 or 4 ply; laminated sheet of 8′ x 4′, 6′ x 4′, 200 sheets per 8 hour shift; machinery to manufacture screws maximum 3″ long and ¼″ dia., 1 ton per 8 hour shift. Quotation by July 10, 1965. Pakistan Industrial Enterprises Ltd. (manufacturer), Alkhush Bldg., Bank Square, The Mall, Lahore 2, West. WTD 6/2/65.

Letter press: wharfadel, stop cylinder presses, sizes 16″ x 22″ and 22″ x 30″. Sheet feed: high speed offset presses sizes 18″ x 24″, 22″ x 30″, 24″ x 36″, 30″ x 44″; Web feed: offset rotary presses, with web 36″ having 2, 3, and 4 units. Paper cutting machines: sizes 31″ and 42″ width; Platen type embossing: cutting and creasing size 18″ x 24″; Bob type: cutting, embossing, and creasing press sizes 18″ x 24″, 22″ x 30″, 24″ x 36″; Chandler & Price type: platen printing presses sizes 18″ x 24″, 16″ x 26″, 15″ x 10″, 8″ x 12″, also with automatic feed in aforesaid sizes; spares: printing machinery including seamless covering rollers, offset rubber blanket etc. Lalla & Co. (importing distributor), 3 Hospital Rd., Lahore, West. WTD 6/4/65.

SPAIN—Woodworking machinery and equipment in general, especially recent developments in this field. Guilliet Hijos y Cia., S.A. (importer, wholesaler), General Mola 15, Madrid (1). WTD 6/10/65.

356 General industrial machinery

AUSTRALIA—Packaging machinery to wrap, pack and tie furniture. Should be able to take furniture at the end of an assembly line and completely prepare for shipment. R. A. Cameron, Carricks, Ltd. (manufacturer, wholesaler), 496 Sherwood Rd., Sherwood, Brisbane, Queensland. WTD 4/17/63.

● **INDIA**—Two centrifugal pumps, 400 gallons per minute capacity for viscous service at elevated temperatures. Tender No. AEE/P/CAP/10110, bid deadline July 9, but late bids will be accepted. Purchase Division, Atomic Energy Establishment Trombay, Government of India, Mohatta Buiding, Palton Rd., Bombay 1.★ (Telephone: 202 WO 7-5589).

PAKISTAN—Machinery to manufacture workshop machines, i.e., lathes over 12′ bed, turret and capstan; shapers, reapers, reamers, drilling machines, welding machines, planing machines. Quotation by July 1. Pakistan Industrial Enterprises Ltd. (manufacturer), Alkhush Bldg., Bank Square, The Mall, Lahore 2, West. WTD 6/2/65.

Ball bearings. United Surgical Works (manufacturer), Khadim Ali Rd., Sialkot 1, West. WTD 6/4/65.

357 Office, computing, accounting machines

BELGIUM—Office equipment, including typewriters, calculators. N. V. Hansma (importer, wholesaler), 12 Lange Nieuwstraat, Antwerp. WTD 6/11/65.

358 Service industry machines

TURKEY—Supply of 20 gasoline pumps having two pumps in a single casing for different fuels, and with two hoses; also 200 gasoline pumps to be used in filling stations. The dials of all pumps should indicate litre and price. Bid deadline July 19. Petrol Ofisi Genel Mudurlugu, Malzeme Murdurlugu, Adakale Sokak, Ankara.★ (Telephone: 202-WO 7-2939).

361 Electric transmission, distribution equipment

● **GREECE**—Supply of 3-phase, 50-cycle distribution transformers: 300 units of 15 kva, 470 units of 25 kva, 520 units of 50 kva, 600 units of 75 kva, 300 units of 150 kva and 145 units of 250 kva. Tender No. DMKD-380 bis/463, bid deadline not yet set. Public Power Corp. (DEH), Purchasing Department, 30 Chalkokondyli St., Athens 102.★ (Telephone: 202-WO 7-4242).

● Supply of one 40/50-mva, 150/15.75 or /15.75-21-kv power transformer. Tender No. DMPM-290, bid deadline July 28. Public Power Corp. (DEH), Purchasing Department, 30 Chalkokondyli St., Athens 102.★ (Telephone: 202-WO 7-4242).

● **RWANDA**—Transformers, 36 kv/400 v.; 40, 60, 100, 300, 500 kva (for small powers, mounted on pylons), with protection and sectioners—of exterior type for small powers. Isolators, suspended type, 36 kv. Cables: aerial, conductors almelec 27.8 and 54.6 mm^2; copper, 16 and 35 mm^2. Galvanized steel guard cable, 34 mm^2. Underground; 36 kv, 3 x 10 mm^2; 400 v.—3 x 10, 3 x 25, 3x 35, 3 x 50 mm^2 + 1. Desires quotations cif Kigali, with documentation. Requests replies in French. J. M. Devos, Technical Adviser (Conseiller Technique), Service Energie et Hydraulique, Ministere de l'Economie, Boite Postale 73, Kigali.

● **SUDAN**—Supply of one 5000 kva, 3-phase, 50-cycle, outdoor-type distribution transformer and one control panel. Tender No. CEWAE/292/65, bid deadline July 5. Central Electricity & Water Administration (Republic of the Sudan), P.O. Box No. 1380, Khartoum.

A copy of tender documents is available for review only, not for loan, in Room 4124, Power and Electrical Equipment Division, BDSA-6430, Department of Commerce, Washington, D.C. 20230.

362 Electrical industrial apparatus

● **IRAQ**—Supply of ten diesel generators, 30 kw, a.c., 380/220-volt, 3-phase, trailer-mounted. Tender No. DME/3/65, bid deadline July 24. Directorate of Contracts and Purchases Ministry of Defense, Baghdad.★ (Telephone: 202-WO 7-4242).

363 Household appliances

NORWAY—Small electric household appliances to operate on 220 volts a.c., 50 cycles or battery. Direct purchase and agency. Norsk Inter Electric A/S (wholesaler, manufacturers' agent), 19 Uranienborg Terrasse, Oslo. WTD 3/20/64.

PAKISTAN—Irons, heaters, stoves, hot plates, ranges, food mixers, percolators, toasters, roasters. Electric current 220 volts, a.c., 50 cycles. Pakistan Industrial Enterprises, Ltd. (manufacturer), Alkhush Bldg., Bank Square, The Mall, Lahore, West. WTD 6/2/65.

Sewing machines, industrial and household types; parts and accessories for same. Direct purchase and agency. Requests quotations c&f Karachi. Orient Impex International (importer, agent), 18-19 Rehman Court, Plaza Square, Bunder Rd., Karachi 3. WTD 2/19/65.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

364 Electric lighting, wiring equipment

● **KOREA**—Supply of 300 11.4-kv lightning arrestors, 150 22.8-kv lightning arresters and miscellaneous metering equipment. Tender No. KFX-5068-P, bid deadline July 14. Office of Supply, Government of the Republic of Korea, Seoul.★ (Telephone: 202-WO 7-4242).

365 Radios, television sets

NORWAY—Audiovisual aids and teaching machines. Direct purchase and agency. Teknisk Forlag A/S (publisher, manufacturers' agent), 19 Uranienborg Terrasse, Oslo. WTD 3/12/64.

RHODESIA—Audio, visual, and audiovisual aids; direct purchase and agency. Educational Distributors (Pvt.) Ltd. (agent, distributor), P.O. Box 8345, Causeway, Salisbury. WTD 5/25/65.

366 Communication equipment

AUSTRALIA—Two-way radios, AM, lightweight, for use in light airplanes. Mitchard Radio Co. (electronic and radio sales and repair), Attn. Mr. Mitchell, 59 Albion Rd., Albion, Brisbane, Queensland. WTD 6/12/63.

● **RHODESIA**—Supply of radio and carrier telephone multiplex equipment for microwave relay system. Equipment must provide one television channel and at least 960 telephone channels. Tender No. GPO 2284, bid deadline September 9. Specifications may be obtained from the Controller of Stores and Transport, Ministry of Posts, Box 8048, Causeway, Salisbury. The price is $14 per set.

● **THAILAND**—Supply of automatic meter observation equipment for recording incoming and outgoing telephone calls. Tender No. 40/2508, bid deadline July 9. Telephone Organization of Thailand, Ploenchit Rd., Bangkok.★ (Telephone: 202-WO 7-4823).

367 Electronic components

TRINIDAD—Pre-designed kits for the assembly of television receivers, radios and record players. Telecomm, Ltd. (importers, commission merchants), 69 Frederick St., Port of Spain. WTD 3/16/65.

369 X-ray equipment

● **GREECE**—Supply of four X-ray diagnostic radiographic machines, 500 MA-125 KV. Tender No. 9/65, bid deadline July 20. Estimated value about $100,000. Institute of Social Insurance (IKA), Supply Department, 8 Aghiou Constantinou St., Athens.★ (Telephone: 202-WO 7-2939).

371 Motor vehicles, equipment

PAKISTAN—Automotive replacement parts and accessories. Direct purchase and agency. Requests quotations c&f Karachi. Orient Impex International (importer, agent), 18-19 Rehman Court, Plaza Square, Bunder Rd., Karachi 3. WTD 2/19/65.

Spare parts, accessories for U.S., B.M.C., German, French and Japanese passenger cars, trucks, tractors. Pakistan Industrial Enterprises Ltd. (manufacturer), Alkhush Bldg., Bank Square, The Mall, Lahore 2, West. WTD 6/2/65.

Spare parts, accessories for U.S. British made passenger vehicles, trucks. Merfud Mutaal & Co. Ltd. (importing distributor), 12/E, Block C, Samanabad, Lahore. WTD 3/26/65.

372 Aircraft, parts

VENEZUELA—Airplanes and helicopters for commercial, agricultural, business purposes; airplane and helicopter parts. Sales agency for Venezuela. Refael Vaamonde Santana (sales agent), Apartado 67, Caracas. WTD 5/24/65.

382 Instruments for measuring, indicating physical characteristics

● **INDIA**—Supply of one moisture monitor for continuously indicating the moisture content of atmosphere inside glove-box, with range of 0-100 ppm by volume, accuracy better than 5%, and sensitivity of 10 ppm (full scale) for XI attenuation. Tender No. AEE/P/CAP/10175, bid deadline July 21. Purchase Officer, Atomic Energy Establishment Trombay, Government of India, Mohatta Building, Palton Rd., Bombay 1.★ (Telephone: 202-WO 7-2939).

VENEZUELA—Metal detectors for use in locating water pipes and electric cables. Direct purchase and agency. Distribution throughout Venezuela. Requests replies in Spanish. Pablo M. Tancredi—"Radio Fermi" (importer, sales agent, distributor), Esquina Plaza, Edificio Plaza, Local "C", San Agustin del Norte, Caracas. WTD 6/1/65.

384 Surgical, medical equipment

● **EL SALVADOR**—Supply of 1,300 dozen hypodermic needles in lots of 100 and 200 dozen and in sizes of 1" and 1¼". Tender No. 70(65), bid deadline July 7. Terms and specifications in Spanish. Correspondence preferred in Spanish. Proveeduria General de la Republica, Avenida Espana 613, San Salvador.★ (Telephone: 202-WO 7-2939).

● **IRAQ**—Supply of approximately 540 different items of surgical dressings, equipment, and supplies in various sizes and quantities totaling more than 1.5 million units. Tender No. Def/5/65, bid deadline Aug. 8. The Iraq Stores Co., Orosdi Back. P.O. Box 26, Baghdad.★ (Telephone: 202-WO 7-2939).

● Supplies of surgical and medical supplies including, but not limited to, the following items: 5,000 sets of polvthine solution; 1.000,-000 carton pots; 200,000 plain glass medical bottles; 500 gross eye droppers, glass; 250.000 cork size pots; 100 tins ethicon sterilizer; approximately 1,700 dozen B.D. needles of various sizes. Tender No. Def/4/65, bid deadline Aug. 1. Iraq Stores Co., (Orosdi Back), P.O. Box 26, Baghdad.★ (Telephone: 202-WO 7-2939).

PAKISTAN—Medical, surgical equipment, supplies all kinds; dental hand instruments, tools and accessories, sterilizers; requests quotations c&f Karachi; direct purchase and agency. Karachi Dental Supply Co. (importer, agent), 3 North Napier Rd., Karachi 2. WTD 1/6/65.

Elastic orthopedic supports: knee, elbow, ankle; jockstraps. Ghuman Sports (manufacturer), Old Post Office Rd., Sialkot City, West. WTD 6/2/65.

Surgical instruments and ligatures; veterinary instruments. Fazal Din & Son (importer, distributor), 53 The Mall, Lahore, West. WTD 6/9/65.

386 Photographic equipment

BELGIUM—Amateur movie cameras, projectors, photo cameras, photo equipment. J. Haesaerts & Zonen, p.v.b.a. (importer, wholesaler), 9 Sint Jacobsmarkt, Antwerp. WTD 6/11/65.

● **KOREA**—Supply of photographic equipment and supplies, including, but not limited to the following: 1,500 packs of film, 4" x 5"; 4,000 rolls of film, 120 mm.; 20,000 flash bulbs, No. 5; 400 boxes enlarging paper; 10 batteries, 510V.; 50 boxes tissue printing paper, 8" x 10"; 10 film developers; 3 cameras. Tender No. KFX-5069-N, bid deadline July 7. Office of Supply, Government of the Republic of Korea, Seoul.★ (Telephone: 202-WO 7-2939).

PAKISTAN—Prepared photographic chemicals; cinema carbons. Lalla & Co. (importer, distributor), 3 Hospital Rd., Lahore, West. WTD 6/4/65.

393 Musical instruments, parts

AUSTRALIA—Celluloid sheeting for use in covering drums (musical))—particularly "marine pearl." Drouyn & Drouyn (importer, wholesaler, retailer), 380 Logan Rd., Stones Corner, Brisbane, Queensland. WTD 10/2/63.

394 Toys, amusements, sporting goods

AUSTRALIA—Paint-by-numbers sets, all sizes and types. West Chermside Chemists (retailer), 74 Basnett St., Chermside, Brisbane, Queensland. WTD 7/20/64.

PAKISTAN—Billiard table playing supplies, such as cues, balls, chalks, tips, wafers; balls for tennis, golf, squash, table tennis; chest expander springs; air guns; plastic darts with brass heads. Ghuman Sports (manufacturer), Old Post Office Rd., Sialkot City, West. WTD 6/2/65.

395 Office materials

BELGIUM—Office supplies, such as pens, pencils, stamps and stamp pads, carbon paper, inked ribbons for business machines, gadgets. N. V. Hansma (importer, wholesaler), 12 Lange Nieuwstraat, Antwerp. WTD 6/11/65.

● **CEYLON**—Supply of 18,000 two color red and purple, record ink ribbon for ticket machines. Bid deadline July 21. The Chairman, Tender Board, Ceylon Transport Board, Kirula Road., Narahenpita, Colombo.★ (Telephone: 202-WO 7-2939).

PAKISTAN—Fountain pens, parts and accessories. Ball point pens and refills. Direct purchase and agency. Requests quotations c&f Karachi. Orient Impex International (importer, agent), 18-19 Rehman Court, Plaza Square, Bunder Rd., Karachi 3. WTD 2/19/65.

Pigments, dry colors. Ghuman Sports (manufacturer), Old Post Office Rd., Sialkot City, West. WTD 6/2/65.

Gelatin process and spirit process stencil paper; stencils for use in marking; mimeograph stencils. Lalla & Co. (importer, distributor), 3 Hospital Rd., Lahore, West. WTD 6/4/65.

399 Manufacturing industrial products

AUSTRALIA—Wall calendars and other advertising novelties. Toy & Novelty Pty., Ltd. (wholesaler, importer), 67 Ipswich Rd., Woolloongabba, Brisbane, Queensland. WTD 8/14/64.

PAKISTAN—Fiber and wire wheel brushes. United Surgical Works (manufacturer), Khadim Ali Rd., Sialkot 1, West. WTD 6/4/65.

Smokers' requisites, such as cigarette holders, lighters, tobacco pipes. Direct purchase and agency. Requests quotations c&f Karachi. Orient Impex International (importer, agent), 18-19 Rehman Court, Plaza Square, Bunder Rd., Karachi 3. WTD 2/19/65.

SWEDEN—High or medium-priced coin-operated indoor bowling games; direct purchase and agency. AB Ishammars Rostfria Inredningar (wholesaler, agent), Lundavagen 11B, Malmo O. WTD 6/9/65.

509 Wholesale products

BELGIUM—Household hardware, household glassware. Rene Van den Bergh (importer, wholesaler), 9-11 Borsbeekstraat, Borgerhout/Antwerp. WTD 6/19/65.

550 Gasoline service station equipment

PAKISTAN—Automobile service station equipment, supplies; direct purchase and agency. The Atlas Steel and Engineering Co. (importer), 215/216 Insurance House, No. 1 Habib Square, Karachi 2. WTD 1/21/65.

International Representation

The firms listed below are interested in representing U.S. firms in the areas indicated. Exclusive distributorship for these commodities is wanted only if specified.

202 Dairy products

PERU—Milk, powdered. Requests replies in Spanish or French. Jean Maury S., Representaciones Industriales, Casilla 1498, Lima. WTD 3/4/65.

203 Canned, preserved fruits, vegetables, sea foods

VENEZUELA—Dietetic foods, food products, canned or packed for retail sale. Agency for entire country. Representaciones Autorizadas, C.A. (sales agent), Apartado del Este 4000, Caracas. WTD 5/20/65.

209 Food preparations

GREECE—Soybean meal; exclusive agency. C. Metsis & Co. (sales agent), 5 Patission St. (or P.O. Box 1204), Athens. WTD 6/9/65.

Meat meal; desires exclusive agency. C. Metsis & Co. (sales agent), 5 Patission St. (or P.O. Box 1204), Athens. WTD 6/9/65.

220 Textile mill products

NEW ZEALAND—Men's shirtings and women's dress goods of all types. G. E. McGehan, Director, P. W. Henderson, Ltd. (manufacturers' representative, wholesaler), 194-6 Madres St., Christchurch. WTD in preparation.

225 Knitting mill products

ITALY—Knit remnants, new, nylon and other synthetic fiber. Alberto Guarnieri (sales agent), 1 Via I. Modesti (P.O. Box No. 6), Prato (Florence). WTD 6/10/65.

229 Textile goods

★★ IRAQ—Trade Mission

Imitation leather upholstery fabrics. Middle East Commercial Services Office (wholesaler), Shorj Bldg., Jumhooriya St., Baghdad. WTD 6/8/65. TM 74.

PERU—Cordage, nylon, for fishing and industrial purposes (nylon ropes). Requests replies in Spanish or French. Jean Maury S., Representaciones Industriales, Casilla 1498, Lima. WTD 3/4/65.

242 Sawmill, planing mill products

PERU—Oregon pine, common #3. Requests replies in Spanish or French. Jean Maury S., Representaciones Industriales, Casilla 1498, Lima. WTD 3/4/65.

282 Synthetic materials

★★ IRAQ—Trade Mission

Plastic material used for auto seat covers. Middle East Commercial Services Office (wholesaler), Shorj Bldg., Jumhooriya St., Baghdad. WTD 6/8/65. TM 75.

White viscose rayon staple fiber. Said Bello (importer, wholesaler, agent), P.O. Box 53, Mosul. WTD 6/11/65.

311 Leather tanning, finishing

NEW ZEALAND—Patent leather for women's shoes. Trevor Watt, W. Wiggins, Ltd. (manufacturers' representative), P.O. Box 262, Wellington. WTD 6/18/64.

322 Glass, glassware

★★ IRAQ—Trade Mission

Tableware, drinking glasses. Middle East Commercial Services Office (wholesaler), Shorj Bldg., Jumhooriya St., Baghdad. WTD 6/8/65. TM 73.

329 Abrasive, asbestos, miscellaneous nonmetallic mineral products

AUSTRALIA—Decorative plasters for mantels, columns and moldings. Bowsers Applications Pty., Ltd., Attn. Mr. Valentine, National Bank Chambers, 180 Queen St., Brisbane, Queensland. WTD 8/19/63.

331 Steel mill products

AUSTRALIA—Mineral sheathed insulated and armored steel cables, in all sizes, for underground cable installations. Australia Cable Co. (wholesaler), 49 Annerley Rd., South Brisbane, Queensland. WTD 8/27/63.

PERU—Seamless steel pipe (API), tubing or casing. Requests replies in Spanish or French. Jean Maury S., Representaciones Industriales, Casilla 1498, Lima. WTD 3/4/65.

335 Rolling, drawing, extruding of nonferrous metals

AUSTRALIA—Multi-core telephone cables (underground), all sizes, lead or plastic covered. Australian Cable Co. (wholesaler), 49 Annerley Rd., South Brisbane, Queensland. WTD 8/27/63.

342 Cutlery, hand tools, general hardware

FRANCE—Marine hardware, accessories, and supplies, including hinges, clamps, link-chains; wire rope and chain-fittings; hooks; bolts and nuts; non-ferrous fastenings; marine switches, and related equipment; requests replies in French. Robert Amiand (Ateliers et Chantiers des Sables) (dealer, agent, distributor), Boite Postale 66, Les Sables d'Olonne, Vendee. WTD 6/11/65.

343 Heating apparatus, plumbing fixtures

SWITZERLAND—Plumbing fixture fittings and trim (brass goods). Volkart Brothers, Ltd. (importers, exporters), 8401 Winterthur. WTD 4/28/65.

349 Fabricated metal products

SWITZERLAND—Valves and pipe fittings; e.g., for controlling flow of liquids and gases in pipes and mains, and for machinery. Collapsible tubes—cylindrical containers for viscous or other products—made of thin flexible metal. Volkart Brothers, Ltd. (importers, exporters), 8401 Winterthur. WTD 4/28/65.

353 Construction, mining, materials handling machinery

FRANCE—Road construction and maintenance machinery, all categories: mobile cranes; dump trucks; heavy duty graders; power shovels; concrete mixers; related equipment. For civil engineering and public works and building contractors. Desires agency for France or section of. Requests replies in French. Robert Amiand (Ateliers et Chantiers des Sables) (dealer, sales agent, distributor), Boite Postale 66, Les Sables d'Olonne, Vendee. WTD 6/11/65.

SPAIN—Heavy earthmoving machinery, including bulldozers, caterpillar equipment, scrapers, loaders, shovels, trenchers. Also advanced design, automatically controlled road construction equipment. Desires exclusive agency. Juan Pericas Ardura (agency), Eduardo Vela 4 (Aravaca), Madrid. WTD 6/9/65.

354 Metalworking machinery, equipment

AUSTRALIA—Grinders, lathes, planers, shapers; all other types of machine tools. Bourke & Radford (Eng) Pty., Ltd. (engineers, machinery merchants), Birkrad Building, Gould Rd., Herston, Brisbane, Queensland. WTD 8/13/64.

SWITZERLAND—Machine tool accessories and measuring devices; metalworking machinery, such as rolling mill equipment, power driven hand tools, welding equipment, wire fabricating machinery and equipment, automotive maintenance equipment. Volkart

Brothers, Ltd. (importers, exporters), 8401 Winterthur. WTD 4/28/65.

355 Special industry machinery

SWITZERLAND—Machinery for use by food products and beverage manufacturing industries in the preparation, canning, or packaging of food products; parts and attachments for such machinery. Volkart Brothers, Ltd., 8401 Winterthur. WTD 4/28/65.

356 General industrial machinery

SWITZERLAND—General industrial machinery and equipment, all types. Volkart Brothers, Ltd. (importers, exporters), 8401 Winterthur. WTD 4/28/65.

361 Electric transmission, distribution equipment

AUSTRALIA—Measuring instruments, scientific, portable. Bourke & Radford (Eng) Pty., Ltd. (engineers, machinery merchants), Birkrad Building, Gould Rd., Herston, Brisbane, Queensland. WTD 8/13/64.

366 Communication equipment

VENEZUELA—Electronic equipment for ships and airplanes, especially for navigation and communication. Sales agency for entire country. Rafael Vaamonde Santana (sales agent), Apartado 67, Caracas. WTD 5/24/65.

372 Aircraft, parts

SOUTH AFRICA—Aircraft parts and accessories, all types. Aero Spares Africa (Pty), Ltd. (importer, retailer, exporter, wholesaler), Wonderboom Airport, P.O. Ficus, Pretoria, Transvaal. WTD 6/9/65.

384 Surgical, medical, dental instruments

AUSTRALIA—Complete line of hearing aids, parts and accessories. King Distribution Co. (importer, wholesaler), 205-207 Queen St., Brisbane, Queensland. WTD 6/25/64.

394 Toys, amusements, sporting goods

SWITZERLAND—Sporting and athletic goods, all types. Volkart Brothers, Ltd. (importers, exporters), 8401 Winterthur. WTD 4/28/65.

398 Manufacturing industrial products

SWITZERLAND—Linoleum, asphalted-felt-base; hard surface floor coverings, all types. Volkart Brothers, Ltd. (importers, exporters), 8401 Winterthur. WTD 4/28/65.

509 Wholesale products

ITALY—Wool rags, old graded (flannels, merinos). Alberto Guarnieri (sales agent), 1 Via I. Modesti (P.O. Box No. 6), Prato (Florence). WTD 6/10/65.

593 Secondhand stores

ITALY—Secondhand wool overcoats. Alberto Guarnieri (sales agent), 1 Via I. Modesti (P.O. Box No. 6), Prato (Florence). WTD 6/10/65.

739 Business services

SPAIN—Interested in representing U.S. firms in commercial and/or industrial pursuits. De La Camara Hermanos (exporter, agent), Edificio Espana, Madrid. WTD 6/10/65.

Future Construction

ECUADOR—Plans have been announced for the construction of a **$780,000 hotel** to be located in the heart of Quito's Northern business and residential district, only five blocks from the American Embassy and facing the city's largest public park, El Ejido. The design contract for this 100-room installation has already been awarded to a local firm of architects, Leon y Wappenstein, whose address is 646 Avenida 10 de Agosto, Quito, Ecuador, and provision has been made for consultation with outside specialists in hotel decoration and furnishing whenever preliminary design work has been completed. As presently planned, all hotel rooms will be double, and will have a private bath and a telephone. The hotel itself, to be called the Hotel Colon Internacional, will have full kitchen and dining facilities, ballrooms, a bar, and all other conveniences associated with a first-class operation.

The high hopes for this new enterprise are founded on the increasing numbers of tourists, especially from the United States, that are now "discovering" Ecuador; the more recent slight surge in conference and convention business; and the fact that the new hotel would take over the business of the existing Hotel Colon. The increased travel activity has already been reflected in the earnings of the four-year-old Hotel Quito (owned by Ecuador's Social Security Institute), making 1964 its first profitable year after having reported total losses during its first three years of operation. Moreover, it is generally hoped here that the recent agreement between Ecuador, Peru, Colombia and Venezuela, calling for a combined effort to attract foreign tourists will be successful in greatly increasing the inflow, and make the picture even more promising.

The company responsible for Quito's new hotel venture is the newly formed Sociedad Anonima Colon Internacional, which brings together a group of leading local firms and individuals, including the owners and managers of the existing Hotel Colon, the three leading Quito tourist agencies, Metropolitan Touring, Turismundial, and Ecuadorean Tours, S.A., as well as Sr. Thomas C. Wright, the General Manager of Quito's largest supermarkets, Distribuidora La Favorita, Sr. Gustavo Castro, and Sr. Jorge Andino.

HONG KONG—The **"City Center" project** (INTERNATIONAL COMMERCE, Feb. 15, p. 15) that approximately 13½ acres of land adjoining the Central District of Victoria, Hong Kong Island, formerly occupied by the Naval Dockyard, would be auctioned in two lots and that detailed conditions were placed upon the area's development.

Only one bid was received, and that for only the western portion of the site; it was submitted by the local investor Henry FOK. The HKG rejected it on the grounds that the offer was "well below the estimated value of the land." On May 23, the press reported a government spokesman had announced that the comprehensive redevelopment plan for the area was being scrapped because the Government had overestimated its attractiveness, and "the aim will be to sell individual lots of a size in keeping with the location, but with sale conditions likely to prove more attractive to developers."

INDIA—Bombay Port Trust is working out plans to build a **satellite port** for Bombay at Nava-Sheva. Nava-Sheva, on the mainland is on the eastern side of Bombay's harbor about five miles across the bay from the present port area. Rail and road facilities would link it with the rest of India. A satellite port at Nava-Sheva is considered the most practicable long-range plan for meeting the need for increased port facilities and would avoid taxing further transport leading out of Bombay.

The Port Trust's consulting engineers, Bertlin and Wilton and Bell of London, England, have started drawing up plans for the satellite port. Preliminary data on bottom conditions and currents have been collected and hydraulic study models are being built. In addition a contract for test drilling in connection with the satellite port in the harbor and on shore is to be placed shortly. The Port Trust hopes these preliminary studies can be completed within a year.

The Port Trust has included a provision for construction of the satellite port in its proposals to the Indian Government for the fourth five-year plan (1966-71). It hopes to complete four of six berths included in the first phase of its plan for development of the satellite port before the end of that Plan. Of these four initial berths the first two would be designed specifically to handle grain tankers. One of the other two berths would be used for bulk cargoes other than grain such as rock phosphate, sulphur, coal and manganese ore and the other for general cargo. Thus the emphasis at the satellite port would, initially at least, be on dry bulk cargoes most imports of which are shipped out of Bombay to other destinations in India and most exports of which originate outside of Bombay.

To facilitate grain handling at the two berths to be built for this purpose, the Port Trust envisages construction of grain elevators and a silo with a capacity of 50,000 metric tons at the satellite port. The Ministry of Food, which is responsible for the importation and onward shipment of grain, has been approached for its approval of the two berths for grain ships and other plans for grain handling facilities.

IRELAND—The Irish Agricultural Organization Society, Ltd., Promotors of Agricultural Co-operation, 84 Merrion Square, Dublin 2, intends to erect four, and perhaps five, **animal feed manufacturing plants** in Ireland. The sites already selected are Limerick, Kilkenny, Sligo and Waterford.

It is understood that plans for the Limerick plant have now been made final and the IAOS is anxious to be put in touch with American firms which might have an interest in tendering for the construction of the plant. The Society has in mind that the plant should have a capacity of 10 tons per hour with provision for cubing and pelleting.

For further details interested parties should contact Colm Costello, Chief of the Animal Feed Compounding Section of the IAOS.

The IAOS controls all the agricultural cooperatives throughout Ireland and provides them with technical information concerning production and marketing. The Society also imports feed grains.

JAPAN—The Greater Nagoya Development Planning Conference met recently to discuss an intermediary report concerning the expansion and improvement of the **#2 radial high-**

way encircling Nagoya which is proving inadequate for the rapidly increasing traffic in the area. A noteworthy part of the report concerns the recommendation that a tunnel be built under Nagoya Harbor for a new section of the highway.

Although it is too early to predict whether or not such a tunnel will actually be built or whether any foreign participation will be involved, it might be advisable for United States contractors and engineering consultants who might be interested in exporting their services in connection with this project to make contact with the planners at this stage so as to be able to follow the course of the project and be in a better position to bid if and when an opportunity does present itself.

All correspondence should be directed to Chairman, Nagoya Daitoshi Seibi Keikeiku Kondankai, c/o Planning Section, Chubu Regional Construction Bureau, Ministry of Construction, 30 Hazama-cho, Showa-ku, Nagoya.

LEBANON—The Beirut Municipality is studying the project of building a **garbage disposal and refuse treatment plant** for Beirut. No bidding date has yet been fixed. According to George Riachi, head of the Urbanism Department of the Municipality and chief engineer, the specifications are under preparation. The proposed plant will process a minimum of 600 metric tons daily of garbage collected in the city of Beirut, which numbers approximately 600,000 inhabitants. Riachi said the simplified type accelerated fermentation method suggested by the international expert Lucien Kebern will be applied for garbage disposal.

The dumping of garbage also will be undertaken, in accordance with a plan laid down by technicians of the Beirut Municipality. Special dumping sites will be provided by the Municipality at the expense of the contractor who will be awarded the contract.

With the expanding cities and towns in Lebanon, the Government finds it imperative that a truly efficient, economical and sanitary means of garbage collection and disposal be found. In addition to the new proposed plant now required, it is stated that the Municipality will most probably need to modernize and renew part of its equipment and buy additional refuse trucks and dump units, street sweepers and other road maintenance equipment.

SOUTH AFRICA—Administrator of the Transvaal F. H. Odendaal, in his budget speech to the Transvaal Provincial Council, has provided for the **construction of roads and bridges** which will cost R33.5 million this year. (R1.00 = US $1.40)

The construction of roads alone will cost nearly R20 million, an increase of R4.5 million over the previous year. More than R10 million will be spent on national and special roads and bridges including the Johannesburg-Pretoria super highway, and the eastern bypass expressway for Johannesburg.

The Administrator pointed out the great need to modernize existing roads because of the enormous increase in traffic. and the accelerated expansion of industry in the southern Transvaal.

Odendaal also has approved the closing of Fox and Smal Streets which now permits the planning and construction work on the R40-50 million (R1.00 = US $1.40) **Carlton Center Project** to move ahead with complete assurance. The project (INTERNATIONAL COMMERCE, Oct. 18, 1964) as a whole has already been approved by national authorities, including Minister of Community Development P. W. Botha, and Minister of Tourism Frank Waring.

Senior executives of the Anglo-American Corp. and the South African Breweries, the consortium that is financing the project, have obtained the U.S. architects of the firm Skidmore Owings and Merrill to decide on the master plan for the Carlton Center.

At least half of the five-acre block will be devoted to plazas and open area. A luxury hotel up to 40-50 stories will be nucleus of the center. Blocks of shops, offices and apartments will also constitute a part of the complex. There will also be parking areas for 2,000 cars.

The consortium has acquired an additional one and one half acres on the southwest corner of the original five-acre site which will provide greater flexibility in planning the site as a whole. Demolition of buildings now standing on the site is expected to begin about the middle of 1966. The consortium is examining the possibility of linking the newly acquired Tower Hotel block on the one and one half acres to the five-acre area by an underground passage below Main St.

The master plan, as finally prepared, will require the approval of the Johannesburg City Council.

One of the more important features of the whole plan will be the easy access by expressways to the Center, and these are planned to be completed about the same time as the Center. The Center itself, marks a new phase in Johannesburg's planning. It is one of the most dramatic developments of its kind in the history of the city. The heart of the business area will be transformed as have many similar areas in large congested cities in other countries. The consortium hopes to have the Center completed by 1970.

U.S. construction companies interested in the Carlton Center may wish to contact Skidmore, Owings and Merrill in New York. Mark Shute is the general manager of the Carlton Center, and he suggests that U.S. construction companies write to him and provide him with their qualifications to bid. Shute may be reached in care of the Anglo-American Corp., 45 Main St., P.O. Box 4587, Johannesburg.

Leads for Importers

203 Canned, preserved food

BRAZIL—Canned goods, all kinds. Prodiv-Promocoes e Divulgacoes, Ltda. (agent), Caixa Postal 148, Rio de Janeiro, ZC-06. WTD 3/29/65.

Heart of palm; direct sale. Trimex S.A. Transoceanica Importacao e Exportacao (wholesaler, agent, exporter), Rua Visconde de Inhauma 58, 8° andar, sala 801, Rio de Janeiro ZC-25, Estado da Guanabara. WTD 6/8/65.

204 Grain mill products

IRAQ—Poultry feed. Darwish al-Haidari (importer), Munir Abbas Bldg., South Gate, Baghdad. WTD 6/8/65. TM 36.

208 Beverages

BRAZIL—Wines, all kind. Prodiv-Promocoes e Divulgacoes, Ltda. (agent), Caixa Postal 148, Rio de Janeiro, ZC-06. WTD 3/29/65.

220 Textile mill products

GERMANY—Hair and twined horsehair interlining materials. Samples available on loan from Trade Opportunities Staff, BDSA-6192, Room 4203, Department of Commerce, Washington, D.C. 20230. Henschke & Co., Haensel-Rosshaar GmbH (manufacturer), 22 Puetterstr., 586 Iserlohn. WTD 1/6/65.

230 Apparel

BRAZIL—Men's wear, all kind. Prodiv-Promocoes e Divulgacoes, Ltda., (agent), Caixa Postal 148, Rio de Janeiro, ZC-06. WTD 3/29/65.

231 Men's, youths', boys' suits, overcoats

YUGOSLAVIA—Woolen and worsted fabrics, ready made man' suits and trousers, raincoats and overcoats in the quantity of around 50,000 suits; 100,000 trousers; 10,000 raincoats; 10,000 overcoats. Jelinic, Commercial Director Varazdinski Tekstilni Kombinat, "Varteks" Varazdin, Yugoslavia.

249 Wood products

BRAZIL—Semi-finished wood products. Prodiv-Promocoes e Divulgacoes, Ltda., (agent), Caixa Postal 148, Rio de Janeiro, ZC-06. WTD 3/29/65.

251 Household furniture

BRAZIL—High quality household furniture of Brazilian rosewood; frames only or upholstered with cotton fabrics or leather; also semi-finished frames. Direct or through well-established agents. Avelino Jose de Castro Representacoes (manufacturers' representative), Caixa Postal 4137 (ZC-05), Rua da Assembleia 11, 3° andar, grupo 302, Rio de Janeiro ZC-21. WTD 4/13/65.

281 Industrial chemicals

ETHIOPIA—Seeks buyers of capsicum extract, 90% pure. Theodore Zafiriadis (manufacturer), P.O. Box 1369, Addis Ababa. WTD 3/31/65.

289 Chemical products

BRAZIL—Essential oils. Prodiv-Promocoes e Divulgacoes, Ltda. (agent), Caixa Postal 148, Rio de Janeiro, ZC-06. WTD 3/29/65.

323 Glass products

AUSTRALIA—Truck mirrors, outrigger type. Descriptive leaflets available on loan from Trade Opportunities Staff, BDSA-6192, Rm. 4203, Department of Commerce, Washington, D.C. 20230. Stirling Butchard and Co. (retailer, wholesaler, manufacturer), 224 Victoria St., Wetherill Park, N.S.W. WTD 6/2/65.

375 Motorcycles, bicycles, parts

YUGOSLAVIA—Motorbikes—3,000 annual; outboard motors to 4 hp.—5,000 annual. Attn.: Miran Marinic, General Director Mario Stuk, Commercial Director Tomos (manufacturer, exporter), Koper, Yugoslavia. WTD 5/6/63.

394 Toys, amusements

AUSTRALIA—Stuffed toys covered with kangaroo fur; shaped like kangaroos, koalas and platypuses. Koala & Joey Toys Pty., Ltd. (wholesaler, importer), 23 Loch St., West End, Brisbane, Queensland. WTD 7/27/64.

398 Manufacturing industrial products

JAMAICA—Intends to manufacture wax products such as candles, for export. James Hargreaves and Co., Ltd. (exporter), 3 Emmaville, Kingston 16. WTD in preparation.

399 Manufacturing industrial products

BRAZIL—Curios, handicrafts. Prodiv-Promocoes e Divulgacoes, Ltda. (agent), Caixa Postal 148, Rio de Janeiro, ZC-06. WTD 3/29/65.

MOROCCO—Moroccan handicraft items such as rugs, leather, metal and wood handmade articles. Quotations fob Casablanca. SMEX (Societe Marocaine d'Exportation) (exporter), 8 Place Mirabeau, Casablanca. WTD 6/1/65.

SPAIN—Handmade wigs, 100% human hair. De La Camara Hermanos (exporter, agent), Edificio Espana, Madrid. WTD 6/10/65.

New Trade Lists

The Bureau of International Commerce has published the following new trade lists of which mimeographed copies may be obtained by firms domiciled in the United States from BIC-8120, Department of Commerce, Washington, D. C., 20230, and from Department of Commerce Field Offices. The price is $1 a list for each country. All are dated May unless otherwise specified.

Aircraft and Aeronautical Equipment Importers and Dealers—India.

Aircraft and Aeronautical Equipment Importers and Dealers—Iran, June.

Aircraft and Aeronautical Equipment Importers and Dealers—The Netherlands.

Aircraft and Aeronautical Equipment Importers and Dealers—Portugal.

American Firms, Subsidiaries and Affiliates —France, April.

Automotive Vehicles and Equipment Importers and Dealers—Ceylon.

Boat and Ship Builders, Repairers and Chandlers—India.

Books, Magazines and Periodicals Importers and Dealers—Chile.

Books, Magazines and Periodicals Importers and Dealers—Honduras.

Canneries and Frozen Foods Producers and Exporters—Republic of South Africa.

Dental Supply Houses—Mexico.

Dry Goods and Colthing Importers and Dealers—Denmark, June.

Electronic Equipment, Electron Tubes and Other Electronic Components and Accessories Importers and Dealers—Haiti.

Electronic Equipment, Electron Tubes and Other Electronic Components and Accessories Importers, Dealers and Manufacturers —Thailand.

Feedstuffs Importers, Dealers, and Manufacturers—Greece, June.

Fertilizers Importers, Dealers, Manufacturers and Exporters—Italy.

Fertilizers Importers, Dealers, Manufacturers and Exporters—Mexico.

Fruits and Nuts Importers and Dealers—Netherlands Antilles.

Glass and Glassware Importers, Dealers and Manufacturers; Chinaware and Household Pottery Products Importers and Dealers—Hong Kong.

Glass and Glassware Importers, Dealers and Manufacturers; Chinaware and Household Pottery Products Importers and Dealers—Spain, June.

Hardware Importers and Dealers—Bolivia, June.

Hardware Importers and Dealers—Federal Republic of Germany and West Berlin.

Hardware Importers and Dealers—The Netherlands, June.

Instruments, Medical, Surgical, Hospital, Scientific and Process Importers and Dealers—Bolivia.

Instruments, Medical, Surgical, Hospital, Scientific and Process Importers, and Dealers—Nicaragua.

Laundry and Dry Cleaning Industry—El Salvador, June.

Lumber, Plywood and Veneer Importers, Dealers and Exporters—United Kingdom.

Machine Tools, Dies, Other Metalworking Machinery and Industrial Furnaces Importers and Dealers—Australia, June.

Machine Tools, Dies, Other Metalworking Machinery, and Industrial Furnaces Importers and Dealers—Finland.

Machine Tools, Dies, Other Metalworking Machinery and Industrial Furnaces Importers and Dealers—Sweden.

Machinery, Equipment and Supplies, Electrical Importers and Distributors—Belgium.

Machinery, Equipment and Supplies, Electrical Importers and Distributors—Brazil.

Machinery and Equipment, Except Electrical Importers and Distributors—Finland.

Office Supplies and Equipment, Stationery and Paper Importers and Dealers—Federal Republic of Germany and West Berlin.

Oils (Animal Fish and Vegetable) Importers, Dealers, Producers, Refiners, and Exporters —Malaysia.

Petroleum Products Importers, Dealers, Producers and Refiners—Guatemala.

Photographic Supplies Dealers and Photographers—Trinidad and Tobago, June.

Visiting Buyers and Officials

Scheduled arrival dates and U.S. addresses indicated.

AUSTRALIA—Richard H. Middleton, Manager, Ashco Pty., Ltd., 70-72 Parramatta Rd., Stanmore, N.S.W., interested in meeting U.S. **furniture** manufacturers with view to entering into licensing agreement for local manufacture, and requesting technical information. July 23 via San Francisco for 2 weeks; c/o Department of Commerce Field Offices in Chicago and New York. Itinerary: San Francisco, Chicago, Greensboro, N.C., New York, and Grand Rapids, Mich. WTD 2/19/65.

AUSTRIA—Dr. techn. Karl Titze, Director General, Austria Vereinigte Emaillierwerke, Lampen-u. Metallwarenfabriken A.G., Wilhelminenstr. 80, Vienna XVI, interested in contacting manufacturers of **cooking ranges, stoves, enameled household and cooking ware,** visiting their plants, studying production methods, exchanging know-how, with possible view to licensing arrangements. July 5 via New York City for 15 days. Itinerary: New York July 5-10, c/o Dr. Peter Fitz, the Austrian Trade Delegate in the U.S., 31 E. 69th St., New York 21, N.Y.; Detroit July 12, 13; Chicago July 14-18, c/o the Austrian Trade Delegate in the U.S., Midwest Office, 332 S. Michigan Ave., Suite 1401, Chicago, Ill.; Washington, D.C. July 18, 19; tentatively Belleville, Ill., and Canadaigua, N.Y.

HONG KONG—Richard N. C. Tsong, Sub-Manager, Crane Stores, Ltd., 52 Wing Kwong St., 6th Fl., Kowloon, Hong Kong, interested in purchasing **cutlery, stationery, small office equipment, kitchen utensils, dolls and toys, handbags, manicure sets, and household appliances,** and selling Hong Kong manufactured products and Oriental goods. June 17 via Honolulu for 1 year; c/o 208 South Mansfield Ave., Los Angeles, Calif. 90036. Itinerary: Chicago, Los Angeles, Miami, New York, Philadelphia, San Francisco, Seattle. WTD 8/18/64.

INDIA—V. M. Ghatge and J. B. Patil, representing Ghatge and Patil Industries Pvt., Ltd., P.O. Uchagaon, Taluk Karveer, Dist. Kolhapur, interested in manufacture of **power take-offs, tie rods and ends, universal cross joints, and forged hand tools for automotive vehicles** and requesting technical information on know-how and project planning. June 28 via New York City for 3 weeks; c/o Twin Disc Clutch Co., Racine, Wisconsin. Itinerary: New York, Detroit, Toledo, Akron, Chicago, San Francisco, Los Angeles. WTD 6/4/65.

MOROCCO—Yamin Gabbay, Africaine de Constructions Metalliques, B. P. 699 or Avenue Khalid Bnou Oualid (Ex Avenue Lyautey), Ain Sebaa, Casablanca, interested in visiting two or three major **steel shops** and requesting technical information on new advanced **machine tools.** June 10 via New York City for 30-45 days; c/o Henry Krief, 141 Cambridge Ave., Underwood, N.J. Itinerary: New York, Washington, Chicago, Los Angeles, San Francisco.

SWEDEN—Lars G. Feuk, Managing Director, Automat-Distribution AB, S:t Eriksgatan 64, Stockholm Va, interested in all types of **vending machines,** especially coin-operated newspaper machines, postage meters, electric machines that convert bills into coins, and drug sundries, and requesting technical information. About July 1 via New York City until July 10; c/o Plaza Hotel, 5th Ave., New York, N.Y. Itinerary: New York, Chicago, Pittsburgh. WTD 6/2/65.

TAIWAN—Gary K. Y. Wong, Chung Mei Frouz, Ltd., 37-6 Chungshan North Rd., Section 2, Taipei, interested in visiting manufacturers of **air conditioners and motion picture color film** to discuss possibility of technical assistance and joint venture. June 14 via Seattle or San Francisco for 5 weeks; c/o D. W. Motte, 820 N. Plankinton Ave., Milwaukee, Wis. Itinerary: Milwaukee, Chicago, Rochester, Seattle, San Francisco, New York. WTD 1/8/64.

Charles V. Z. Lee, Asia Electric Trading Co., Ltd. and China Radio Corp., 4 Chungshan North Rd., Section 2, Taipei, interested in visiting manufacturers and exporters of **electronic or industrial equipment.** End of June via Los Angeles for 1 year; c/o 3167 E. Green St., Pasadena, Calif. Itinerary: New York, Chicago, Washington, Seattle, San Francisco, others to be arranged. WTD 4/14/65.

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Calendar *for international traders*

June

29—Virginia Association of Insurance Agents, Cavalier Hotel, **Virginia Beach, Va.** Speaker: Alexander B. Trowbridge, Assistant Secretary for Domestic and International Business.

29—In-Office Export Conference, 10:30 A.M., Field Office, **Miami.** Sponsors: Field Office, Department of Commerce; REEC.

29—Central American Chamber of Commerce dinner, Plaza Hotel, **New York.** Speaker: Alexander B. Trowbridge, Asst. Secretary for Domestic and International Business.

29—In Office Conference on Export Expansion, Field Office, **Detroit.** Sponsors: Field Office, Department of Commerce; REEC.

30—In-Office Export Seminar, Field Office, **San Francisco.**

July

7-8—Conferences by appointment with Cornelis J. H. Goinga, Commercial Attache, Kuala Lumpur, Malaysia, Field Office, **New York.**

8—In-Office Export Workshop, Field Office, **Chicago.**

13—South Florida REEC, regular monthly meeting, 12 noon, **Coral Gables, Fla.**

13—In Office Workshop for New Exporters, Federal Office Bldg., **Kansas City, Mo.** Sponsors: REEC; Field Office, Department of Commerce.

13—Luncheon meeting, followed by panel session, Hotel DuPont, **Wilmington, Del.** Speaker: Mrs. Elizabeth S. May, Export-Import Bank. Sponsors: Delaware State Chamber of Commerce; SME-I; Wilmington Marine Terminal; University of Delaware; Field Office, Department of Commerce; Delaware State Development Dept.; Small Business Administration; World Trade Committee.

13—In Office Conference on Export Expansion, Field Office, **Detroit.** Sponsors: Field Office, Department of Commerce; REEC.

14—International Executives Assn., monthly luncheon meeting, Hotel Statler Hilton, **New York.**

15—In-Office Export Conference, 10:30 a.m., Field Office, **Miami.** Sponsors: Field Office, Department of Commerce; REEC.

19-30—Foreign Trade Export-Import Institute, University of Rhode Island, **Kingston, R.I.** Sponsor: Management Sciences Institute.

22—In-Office Export Conference, 10:30 a.m., Field Office, **Miami.** Sponsors: Field Office, Department of Commerce; REEC.

23—Export Workshop, Chamber of Commerce, **Des Moines.** Sponsors: Field Office, Greater Des Moines Chamber of Commerce, Iowa REEC.

23—Export Workshop, Field Office, **Cincinnati.** Sponsors: Field Office, REEC.

27—In Office Workshop for New Exporters, Federal Office Bldg., **Kansas City, Mo.** Sponsors: REEC; Field Office, Department of Commerce.

29—In-Office Export Workshop, Field Office, **Chicago.**

August

17—In-Office Export Workshop, Field Office, **Chicago.**

17—International Executives Assn., monthly luncheon meeting, Hotel Statler Hilton, **New York.**

19-20—Private consultations with Commercial Attache, U.S. Embassy, Frankfurt, Field Office, **Chicago.**

27—Export Workshop, Field Office, **Des Moines.** Sponsors: Field Office, Greater Des Moines Chamber of Commerce, Iowa REEC.

September

2—Machinery-Metals Export Club, monthly meeting, Overseas Press Club, **New York.**

9—In-Office Meeting, Field Office, **Chicago.**

14—International Executives Assn., monthly luncheon meeting, Hotel Statler Hilton, **New York.**

Notice

To publicize local events concerning foreign trade in the "Calendar for International Traders," information should be submitted to this magazine at least 2 weeks before the date of the issue in which it appears. Please include time, place, sponsoring organization and special topic, if applicable. Meetings must be open to the public in order to be publicized in this space.

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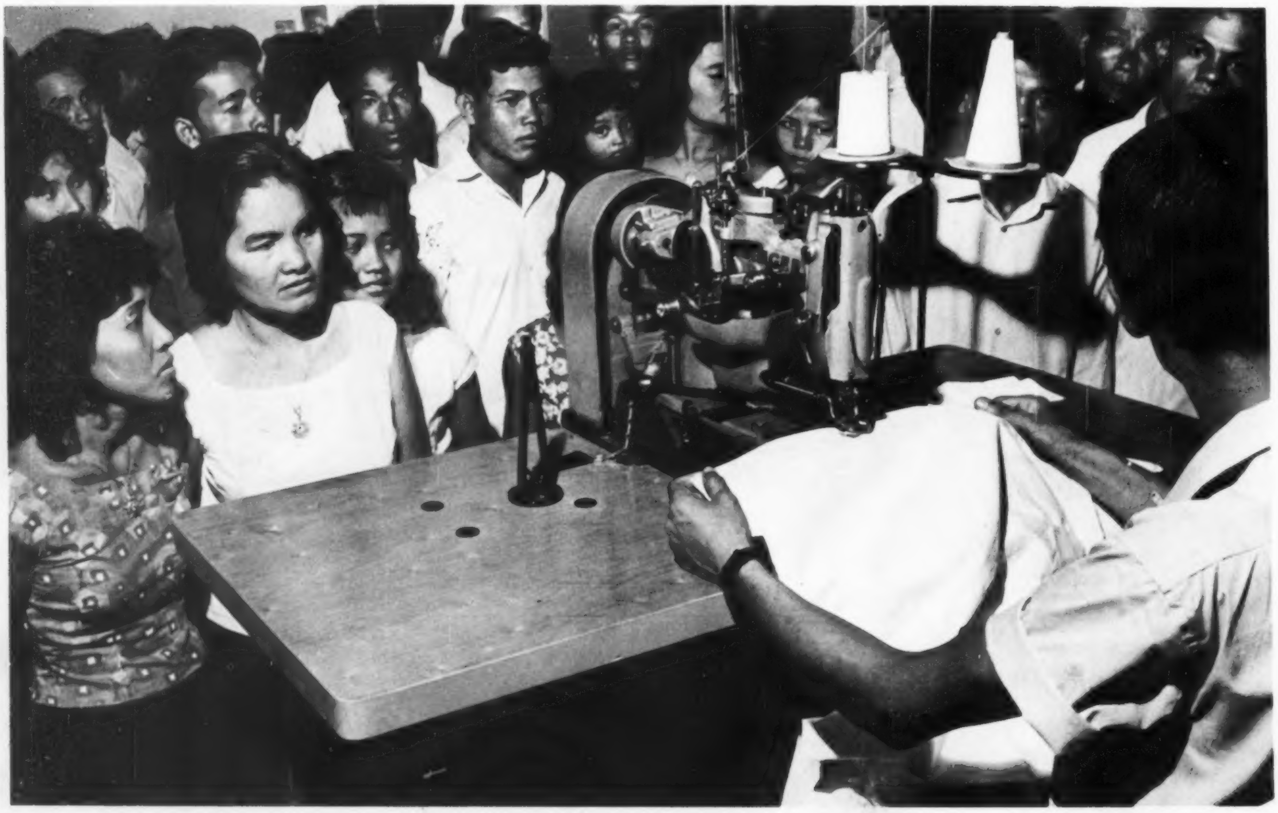

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